

# HOUSING AUTHORITY OF THE COUNTY OF SAN MATEO



## FY2014 MOVING TO WORK ANNUAL PLAN

July 1, 2013 – June 30, 2014

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Submitted to HUD: April 11, 2013

Revised and re-submitted to HUD: June 21, 2013

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SECTION I – Introduction

**Overview of the Agency’s ongoing MTW goals and objectives**

The Housing Authority of the County of San Mateo (HACSM) is committed to increasing affordable housing choices for families, promoting the self-sufficiency of program participants, and developing administrative efficiencies. The flexibilities of the MTW program have allowed HACSM to collaborate with many community stakeholders to further support the residents of San Mateo County through program re-design and innovation.

Increasing Affordable Housing Choices – In 2011 HACSM received approval to remove Midway Village from Public Housing status. At the same time, replacement vouchers were issued to all residents so that they could choose to remain in their current unit at Midway or they could choose to move elsewhere using their voucher. This transition to project-based vouchers has now been successfully completed. Also, HACSM used its “block-grant” funding status to create two new rental subsidy programs, Provider-Based Assistance or PBA, for victims of domestic violence (15 units) and for persons re-entering society after a period of incarceration and who are receiving addiction treatment and other supportive services (16 units). Both programs are well on their way to full utilization and an expansion of the program is under development. Finally, HACSM has implemented a number of rent reform initiatives that enable families to look for a broader range of rental units located over a wider geographic area.

Promoting Self-Sufficiency – Implementing this goal has resulted in families utilizing the program for homeownership, increasing their income potential through education and employment advancement, and personal growth and increased financial understanding. HACSM has expanded the self-sufficiency program to include a provision of monetary rewards for participants who complete educational goals as well as increase their credit scores and savings, all of which are acknowledged to be challenging areas for someone striving to be self-sufficient.

Increasing self-sufficiency was also a main goal in the creation of HACSM’s Housing Readiness Program. In collaboration with stakeholders from the County’s “Ten-Year Plan to End Homelessness,” HACSM entered into contracts with homeless advocates and shelter providers to complement their case management services with housing assistance for a period of three years.

Developing Administrative Efficiencies – HACSM has re-designed the processes for both initial and on-going eligibility determinations, easing the burden on both participants and Housing Authority staff and increasing the timeliness of the process. Recertifications for households that are elderly or disabled have been changed to biennial schedules. HACSM has also moved to a biennial schedule for inspections of all subsidized units, with the provision that all units at all times must continue to meet HUD Housing Quality Standards. HACSM is in the fourth year of a major rent-reform program known as TST (Tiered Subsidy Table) which greatly simplifies the calculation of rental subsidies and gives participants immediate knowledge of the amount of subsidy for which they are eligible.

**Describe the Agency's long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.**

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 focus areas for future initiatives:

### **Serve More Families**

The number of households that qualify for rental assistance in San Mateo County far exceeds the number of vouchers available. In July 2008, when HACSM opened its Housing Choice Voucher program waiting list, over 23,000 families applied. By lottery, 3,600 households were selected for the waiting list, the number that HACSM can reasonably expect to serve over three to four years. Because the vouchers allocated to HACSM are fully utilized, only 16 vouchers (approximately) per month become available, due solely to average turn-over created by families who leave the program.

Over the past year, HACSM researched and developed a strategic plan for using its voucher resources in ways that meet specific goals over the next five years. Three broad goal areas were developed: serving residents most in need, facilitating residents' self-sufficiency, and building sustainable system capacity. Specifically, the plan calls for increased PBA partners, increased creation of new affordable units using project-based vouchers, and expansion of the 5-year self-sufficiency program from its current 300 vouchers to 800 vouchers.

In order to increase the self-sufficiency program and to serve more families in San Mateo County with more services, HACSM is proposing to institute a five-year time-limit to the housing subsidy for all new applicant households that are not designated senior or disabled households up to 800 vouchers. Program participants will participate in a greatly expanded and enriched self-sufficiency program. The proposed initiative includes a comprehensive hardship policy for elderly and/or disabled persons as well as for self-sufficiency participants who need some additional time to achieve their goals.

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

Prior to the implementation of the initiative (Serve More Families) stated above, HACSM will develop strong program partnerships with a variety of educational institutions, work force development providers, and county and community health and social service providers.

### **Electronic Content Management**

HACSM is converting to an electronic content management system that will not only eliminate most paper from our operation, but will also enable the agency to implement automated work-flow processes that will amplify experiences already achieved through MTW reforms. The technology platform will also enable clients to accomplish many of their housing program needs on-line if they choose.

### **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-Based Vouchers' contractual obligation for long-term unit availability is also important in our perennially tight housing market.

**Half Moon Village Redevelopment**

As a result of MTW single-fund flexibilities, HACSM has been able to begin construction of a new 160-unit affordable senior housing complex in Half Moon Bay. This project replaces 60 units of obsolete senior housing units as part of a major new “senior campus” that will include a senior center and an adult day health center. HACSM has invested \$4 million through a long-term loan thereby leveraging an additional \$61 million in funding.

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

**A. Housing Stock Information**

**1. Number of public housing units planned:**

Table 1		
Development	Type	Number of Units
El Camino Village	Family	30

**2. General description of any planned significant capital expenditures by development**

HACSM does not have any planned significant capital expenditures for its public housing development.

The HACSM capital projects plan is for several small projects. HACSM does not expect that the expenditures for any of the small projects to meet, or exceed, 30% of the Agency's total budgeted capital expenditures for the fiscal year. Some of the small projects include kitchen renovations, roof repairs, and new carpet for units at El Camino Village.

**3. New public housing units to be added during the year:**

HACSM is not planning to add new public housing units during the year.

**4. Public Housing units to be removed from the inventory during the year:**

HACSM plans to either reapply to HUD to dispose El Camino Village, Development Number CA014000004 or utilize the new RAD conversion program. If approved, all 30 units of El Camino Village will be converted to project-based voucher units in accordance with previous MTW plans and approved activities.

**5. Rental Assistance Programs**

HACSM currently serves over 4600 households under the Housing Choice Voucher, Moderate Rehabilitation, Family Unification, VASH, Shelter Plus Care, and Supportive Housing Programs. The table below lists the number of allocated units under each program.

Table 2	
Program	Units Authorized in HACSM'S ACC
Housing Choice Voucher (MTW)	4172
Family Unification (non-MTW)**	40
VASH (non-MTW)**	75
Moderate Rehabilitation (non-MTW)	130
Shelter Plus Care (non-MTW)	163
Supportive Housing (non-MTW)	34

\*\* Non-MTW voucher program administered with some MTW flexibilities

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

Of the 4,172 Housing Choice Vouchers, 650 are project-based.

Listed below are HACSM's current project-based properties:

Table 3		
Property Name	City	Total Units
Delaware Pacific	San Mateo	30
636 El Camino	South San Francisco	47
Coastside Senior Housing	Half Moon Bay	39
Delaware Place	San Mateo	16
Edgewater Isle	San Mateo	91
Half Moon Village	Half Moon Bay	60
Hillside Terrace	Daly City	16
Hilton Street	Redwood City	6
Magnolia Plaza	South San Francisco	48
Midway Village	Daly City	150
Newell Housing	East Palo Alto	10
Pacific Oak Associates	Pacifica	50
Pine Street	Redwood City	6
Redwood Oaks	Redwood City	33
Robbin's Nest	San Carlos	6
St. Matthew	San Mateo	18
Willow Terrace	Menlo Park	11
The Woodlands	East Palo Alto	13

In April 2012, HACSM entered an AHAP with MidPen Housing Corporation for 30 newly constructed project-based units in San Mateo (Delaware Pacific). Construction for the San Mateo project started in summer 2012 and is expected to be completed in fall 2013.

In November 2012, HACSM entered an AHAP with Mercy Housing for 39 newly constructed project-based units in Half Moon Bay. Construction for the Half Moon Bay project started in December 2012 and is expected to be completed in December 2013.

In December 2012, HACSM entered an AHAP with MidPen Housing Corporation for 44 newly constructed project-based units in Half Moon Bay, Phase One of the larger Half Moon Village Senior Campus development. When completed, the campus will have a total of 158 affordable senior units.

With the exception of 636 El Camino, Midway Village, and Delaware Pacific, all of the project-based units listed in Table 3 above are covered by Project Based Certificate (PBC) HAP Contracts. In August 2005, HACSM received approval from HUD to renew the PBC HAP Contracts for an additional term. These PBC contracts will expire in either 2013 or 2015. Within one year before these contracts expire, HACSM will make a determination that renewal of these contracts under the PBV program is appropriate to continue providing affordable housing for low-income families. At HACSM's sole discretion and upon request from the owner, HACSM may terminate PBC HAP Contracts prior to their expiration and renew the PBC HAP Contract as a PBV HAP Contract in accordance with the regulations governing the PBV program at 24 CFR Part 983.

**B. Leasing Information, Planned**

<b>Table 4</b>		
<b>Program</b>	<b>Anticipated Lease-Up Rate</b>	<b>Number of Units to be Leased</b>
Public Housing (MTW)	98%	29
Housing Choice Voucher (MTW)	98%	4089
Family Unification (non-MTW)	95%	38
VASH (non-MTW)	95%	72
Moderate Rehabilitation (non-MTW)	95%	127
Shelter Plus Care (non-MTW)	100%	163
Supportive Housing (non-MTW)	100%	34

High rents and low vacancy rate in San Mateo County are the top issues facing HACSM. HACSM will continue outreaching to property owners, improving leasing process, and extending voucher terms to families with the goal of maintaining 98% lease up in FY2014.

25 VASH vouchers were awarded in 2010 and 50 vouchers were awarded 2011. Acknowledging the lease up for these vouchers has been slow, HACSM will continue working closely with the San Francisco VA Medical Center with the goal of reaching at least 95% lease up in FY2014.

**C. Waiting List Information**

HACSM currently maintains the following waiting lists:

- Public Housing
- Section 8 Housing Choice Voucher
- Project-Based
- Moderate Rehabilitation

**Public Housing**

HACSM's Public Housing Program waiting list is closed except for its 4 bedroom units. Since all other public housing units are fully occupied at this time, only turnover units will need leasing activity.

HACSM plans to either reapply to HUD to dispose El Camino Village or utilize the new RAD conversion program. If approved, all 30 units of El Camino Village will be converted to project-based voucher units in accordance with previous MTW plans and approved activities; the current applicants on the Public Housing waiting list will be moved to the Site-Based Project-Based waiting list for El Camino Village.

**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.

Currently, the waiting list for the HCV Program is closed. HACSM anticipates opening the HCV waiting list in FY2014. As discussed in Section I of this Plan, HACSM has been conducting extensive research in the best

practices related to affordable housing programs and created a strategic plan for using its voucher resources in ways that will meet the affordable housing needs in San Mateo County. In support of this strategic plan, HACSM will be developing a continuously open pool of families who have shown interest in the program. From this interest pool, a periodic draw by lottery will be conducted to create a short wait list, when vouchers have turned over and are available.

HACSM plans to have a continuously open waiting list. The on-line application, to express interest in the program, will be open to all. The application will expire 12 months from the initial application date or the last update date, whichever is later. If the applicant does not update their application, it will be automatically removed from the interest pool until such time as the applicant re-applies. There is no penalty for missing the deadline to update or allowing the application to expire. The applicant can simply re-apply.

The list of names, to be drawn by lottery, will then proceed through the eligibility determination process and if eligible will join the HACSM Five-year MTW Self-Sufficiency Program. (More information regarding the Five-year MTW Self-Sufficiency Program can be found in Section III). All eligible households will enter the Five-year MTW Self-Sufficiency Program, regardless of the household type. However, households that are determined to be either elderly and/or disabled can apply for hardship relief regarding the time limitation. (See the HACSM hardship policy).

**Project-Based**

All HACSM Project-Based waiting lists are site-based although applicants may apply to any and all open lists with one application. Due to the high number of waiting list applicants and low turnover rate, most Project-Based waiting lists are closed except for four bedroom units.

HACSM will open new waiting lists for the upcoming Project-based developments.

**Moderate Rehabilitation**

HACSM's Moderate Rehabilitation Program waiting list is currently closed. HACSM works closely with the property owner to fill 100% of the Moderate Rehabilitation units which are located at a single apartment complex.

**Wait List Information by Fiscal Year End**

Table 5			
Housing Programs	Wait List Type	Number of Families on Waiting List	Wait List Open, Partially Open or Closed
Public Housing	Site Based	1209	Partially Open <sup>1</sup>
MTW Housing Choice Voucher Programs	Community-Wide	511	Closed
Moderate Rehabilitation	Site Based	1349	Closed
Project-Based:			
• 636 El Camino	Site Based	615	Closed
• Delaware Place	Site Based	3025	Closed

Table 5			
Housing Programs	Wait List Type	Number of Families on Waiting List	Wait List Open, Partially Open or Closed
• Edgewater Isle	Site Based	1200	Closed
• Half Moon Village	Site Based	231	Closed
• Hillside Terrace	Site Based	2818	Closed
• Hilton Street	Site Based	302	Open
• Magnolia Plaza	Site Based	930	Closed
• Midway Village	Site Based	978	Partially Open <sup>1</sup>
• Newell Housing	Site Based	1420	Closed
• Pacific Oak Associates	Site Based	394	Closed
• Pine Street	Site Based	286	Open
• Redwood Oaks	Site Based	2472	Closed
• Robbin's Nest	Site Based	210	Open
• St. Matthew	Site Based	782	Open
• Willow Terrace	Site Based	2151	Closed
• The Woodlands	Site Based	1499	Partially Open <sup>1</sup>

<sup>1</sup> These waiting lists are open to families who qualify for four-bedroom units only.

Applicants for the Shelter Plus Care and Supportive Housing programs, Family Unification, VASH, Moving to Work Self Sufficiency (approved MTW initiative) and Housing Readiness programs (approved MTW initiative), are referred to HACSM by homeless service providers, San Mateo County Families and Children Services, VA Medical Centers, and other community partners. HACSM does not keep waiting lists for these programs.

SECTION III – Proposed MTW Activities: HUD approval requested

**Activity #2014-29: Revise Child Care Expense Deduction**

**A. Description of Proposed Activity**

In conjunction with HUD regulations, HACSM defines child care expenses as amounts anticipated to be paid by the family for the care of children 12 years of age and under during the period for which annual income is computed, but only where such care is necessary to enable a family member to work, seek work, or go to school (furthering education) and only to the extent such amounts are not reimbursed.

The amount deducted shall reflect reasonable charges for child care. When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care costs must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by the amount of employment income that is included in annual income.

HACSM is proposing to define allowable child care deductions as follows:

1. The care must be provided for one or more qualifying persons. A qualifying person is a person who is a dependent child age 12 and under of a family member who is a parent or legal guardian of the child.
2. The care must be provided to enable the parent or guardian to work, seek work, or attend school full time.
3. The payments for care cannot be paid to the non-custodian parent(s) of the qualifying child.
4. The maximum allowable child care deduction is the lesser of the actual expense or 50% of the gross earnings or net earnings from self-employment of the parent or guardian.
5. If both parents are in the subsidized household, the 50% gross earnings cap will be based on the lower of the two earnings from the parents. One parent may be considered as having earnings if the parent is a full-time student or a person with disabilities that inhibits the parent to care for the child. In this case, the earnings will be based on the working parent.
6. The maximum allowable child care deduction for a parent or guardian who has no earnings but attends school full time will be the lesser of the actual expense paid or \$5000 per year per qualifying child.

This proposed activity will apply to HACSM's Public Housing and Section 8 Housing Choice Voucher programs.

**B. Relationship to statutory objectives**

HACSM anticipates this activity will reduce administrative costs and achieve greater cost effectiveness in its program administration.

**C. Identify and discuss the anticipated impact of the proposed activity on the stated objective(s)**

In order to capture the most current data, HACSM collected and analyzed recertification calculations effective March 1, 2012 through February 1, 2013. Based on this data, HACSM has determined that the impact of this activity to the families is minimal. From the period of March 1, 2012 through February 1, 2013, a total of 183 households received a child care expense deduction with an average amount of \$4,434 per family. Only six (6)

families received a child care deduction that was greater than 50% of the family's annual income. The anticipated impact of this activity will be a more consistent application of allowances for child care expenses for all employment activities, including the following: furthering education, job training, searching for employment, and during employment, thus streamlining the rent calculation process and easing some of the confusion in its administration. The current policy related to child care expenses imposes a threshold limit in relation to earned income, but there is no such threshold when a family is a full-time student, or seeking employment. Having a more specific definition will streamline the eligibility determination for HACSM staff and address the disparate benefit for program participants.

**D. Proposed Activities, baselines, benchmarks, metrics and schedules**

Effective July 1, 2013, upon HUD approval, HACSM will implement this activity for all new admissions, participants and residents of the Housing Choice Voucher and Public Housing programs.

Baselines	Benchmarks	Metrics
1) Average child care deduction per household is \$4,434 2) 6 households have a child care deduction that is more than 50% of the family's total annual income	1) A 3% decrease (\$133) in the average child care deduction per household. 2) A 100% decrease or zero households that have child care deduction greater than 50% of the family's total annual income	1) Compare child care deduction of participant families before and after implementation of this activity

**E. Data Collection Process and Proposed Metrics to Measure Performance and Progress of the MTW Statutory Objectives**

HACSM will utilize data from its current software database to track its child care expenses. HACSM will analyze the data on a regular basis to better quantify results and identify opportunities for continuous improvement in the program.

**F. Authorization(s) detailed in Attachment C or D needed to engage in the activity'**

For Public Housing, the proposed activity is authorized in HACSM's MTW Agreement, Attachment C, Section C(11) – Rent Policies and Term Limits, which waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(1) 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.

For Section 8 Housing Choice Vouchers, the proposed activity is authorized in HACSM's MTW Agreement, Attachment C, Section D(2)(a) – Rent Policies and Term Limits, which 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.

**G. Hardship Policy**

**a. Impact Analysis**

**i. Description**

Currently, when a family incurs child care expenses, and the expense is tied to a member looking for work or furthering his or her education, there is no cap on the amount that may be deducted for child care – although the care costs must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by the amount of employment income that is included in annual income.

The proposed activity will further expand the capped amount for working and furthering education.

**ii. Tracking and documenting the implementation**

HACSM will document the child care expenses of each applicable participant, at each annual or biennial recertification.

**iii. Identifying the intended impact**

The impact of this activity to the families is minimal. From the period of March 1, 2012 through February 1, 2013, a total of 183 households received a child care expense deduction with an average amount of \$4,434 per family. Only six (6) families received a child care deduction that was greater than 50% of the family's annual income.

**b. Hardship Case Criteria**

Please see Appendix for details regarding HACSM's Hardship Policy.

**c. Description of Annual Reevaluation of the Rent Reform Initiative**

HACSM will review the impact and success of this MTW activity at least annually and make any necessary adjustments at that time.

**d. Transition period**

HACSM will begin implementation of this activity for all new applicants from the Housing Choice Voucher and Public Housing waitlists effective July 1, 2013, and after; in addition, HACSM will implement this activity for existing participants of the Housing Choice Voucher and Public Housing programs at their next annual or biennial review.

**Activity #2000.1 (Revised FY2014): Expand MTW Self-Sufficiency program**

**A. Description of Proposed Activity**

HACSM's MTW Self-Sufficiency program was first implemented in May 2000. It was originally developed to respond to welfare reform and thus was fashioned to focus almost exclusively on improving families' self-sufficiency in preparation for the conclusion of their welfare assistance. The core design of HACSM's original MTW program consisted 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 only accepted 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. These referring agencies have signed agreements with HACSM to provide appropriate case management services to the family throughout the term of their subsidized housing assistance. The number of time-limited vouchers was limited to 300.

All MTW Self-Sufficiency participants are required to participate in HACSM's Family Self-Sufficiency (FSS) program, which requires families to be gainfully employed and free of welfare assistance 12 months prior to the end of the FSS contract. Non-compliance with the FSS contract is cause for termination of housing assistance. HACSM collaborates with county and non-profit service providers to prepare MTW households to be economically self-sufficient in the very expensive San Mateo County housing market upon graduation.

Effective July 1, 2013, HACSM is proposing to expand its MTW Self-Sufficiency program to 800 households. In the expansion of this activity, HACSM is planning to maintain the majority of the original design elements including the following: 1) A five-year term limit (a policy change implemented July 1, 2010), 2) Mandatory participation in the HACSM FSS program, 3) HACSM escrow calculation process, 4) Portability policies, and 4) Other MTW flexibilities such as biennial HQS inspections, and rent reform. With this expansion, HACSM is proposing to expand participation in this program from the small carve out of 300 vouchers (100 of which were allocated to the HACSM Housing Readiness Program, Activity #2009.2) to all new applicants from the HCV waiting list, up to 800 vouchers. Families will now be able to join the MTW Self-Sufficiency Program from both a referral basis, the current method, and from the HCV waiting list.

While reaching the original target population, e.g. welfare recipients, remains a priority, in addition to accepting applicants via updated referral agreements, HACSM is proposing to expand participation in this service-enriched program by requiring all new HCV program participants, including port-in families, to participate in the expanded MTW Self-Sufficiency Program. Based on this proposal, the next opening of HACSM's Housing Choice Voucher waiting list will be exclusively for the five-year MTW Self-Sufficiency program. In order to support, and be as inclusive as possible of low-income families in San Mateo County, all new applicants from the HCV waitlist who are determined to be program-eligible will join HACSM via the MTW Self-Sufficiency program. Households that are determined to qualify as elderly and/or disabled, per HACSM policies, will have the option to apply for hardship regarding the time limitation.

**B. Relationship to statutory objectives**

HACSM anticipates the above activity will increase housing choice and encourage self-sufficiency for families participating in this program.

**C. Identify and discuss the anticipated impact of the proposed activity on the stated objective(s)**

Since HACSM is applying this activity to new Housing Choice Voucher (HCV) waiting list applicants, current program participants will not be affected.

The number of families potentially eligible for the Housing Choice Voucher program in San Mateo County far exceeds the HCV rental assistance resources available through HACSM. This activity has the ability to offer families self-sufficiency resources that can better prepare them to find housing at the end of the assistance term. In addition, the turnover of vouchers will allow HACSM to process applicants on its waiting list more quickly and serve more families over time.

**D. Proposed Activities, baselines, benchmarks, metrics and schedules**

For current program participants, HACSM will continue to track the effectiveness of the program initiatives as originally designed. This tracking and evaluation will continue until such time as all current participants complete their five-year term.

For new participants in the expanded, services-enriched program, HACSM is proposing to evaluate the initiative's success (and ultimately the participants success in increasing their self-sufficiency) in the following areas, based on the newly approved "Standards HUD Metrics." See the table below for the proposed baselines, benchmarks, and metrics.

<b>Baseline (est. FY2013)</b>	<b>Benchmarks</b>	<b>Metrics</b>	<b>Outcomes</b>
167 households are participating in the MTW-SS program	A 50% (84 households) increase in participating households by the end of FY2014.  A 20% increase annually thereafter until the program reaches its allocation limit.	The number of households receiving services aimed to increase self-sufficiency	The actual number of households receiving self-sufficiency services after implementation of the activity.
Households receiving TANF prior to implementation, and/or upon program entry	A decrease in the number of households receiving TANF after implementation of this activity	Number of households receiving TANF assistance	The actual number of households receiving TANF after implementation of this activity
The average earned income (in dollars) of households affected by this policy prior to implementation, and/or upon program entry	A 15% increase in the average earned income (in dollars) of program participants by the end of FY2014	Average earned income (in dollars) of households	The actual average earned income (in dollars) of households affected by this policy

Baseline (est. FY2013)	Benchmarks	Metrics	Outcomes
The average savings/escrow amount (in dollars) of households affected by this policy prior to implementation, and/or upon program entry	Increase in the average savings/escrow (in dollars) of families with savings/escrow accounts	Average amount of savings/escrow (in dollars) of households affected by this policy	The actual savings/escrow amount (in dollars) of households affected by this policy
Number of families in job training programs	Increase in number of families enrolled and participating in job training programs	Compare the number of families participating before and after implementation	The actual number of households enrolled in job training programs
Number of families participating in financial, employment and educational	Increase in number of families successfully completing financial, employment and educational workshops	Compare the number of families participating before and after implementation	The actual number of households participating in financial, employment, and educational workshops

**E. Data Collection Process and Proposed Metrics to Measure Performance and Progress of the MTW Statutory Objectives**

HACSM will utilize its current software database to track the number of participating households.

**F. Authorization(s) detailed in Attachment C or D needed to engage in the activity**

The proposed activity is authorized in HACSM's MTW Agreement, Attachment C, Section D(2)(a) – Rent Policies and Term Limits, which 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 and is authorized in HACSM's MTW Agreement, Attachment C, Section D(4) – Waiting List Policies, which 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.

**G. Hardship Policy**

This program expansion is not a rent reform activity and thus a rent reform hardship policy is not required. HACSM has, however, broadened its hardship policy for this proposed activity to allow for reasonable accommodations and self-sufficiency activities related to portability when a participant (the Head, Spouse, or Co-Head) secures a full-time job and/or is a full-time student at an accredited educational institution that is greater than 35 miles from the San Mateo County boarder. See Appendix Four, for details regarding the HACSM hardship policy.

**SECTION IV – Ongoing MTW Activities: HUD approval previously granted**

HACSM does not plan to change any of the current MTW authorizations from Attachment C and/or Attachment D for the activities previously implemented, nor does HACSM plan to use any outside evaluators.

HACSM has utilized the flexibilities of the MTW program since 2000 to significantly reform its Voucher and Public Housing programs. All 28 of the ongoing activities, approved by HUD previously, and implemented by HACSM are summarized in the table below. The table illustrates HACSM's use of MTW program flexibilities to design and test innovative approaches that strengthen program administration.

<b>Ongoing MTW Activities: HUD Approval Previously Granted</b>					
Activity #	MTW Activity Name	Year Implemented	Activity Description	Statutory Objective(s)	Changes or updates to the activity, if any
2000.1	MTW/FSS Program	2000	HACSM's MTW Self-Sufficiency program was first implemented in May 2000. The core design of HACSM's original MTW program consisted of limiting Housing Choice Voucher assistance to a maximum of six years, while at the same time offering self-sufficiency services to those participants through HACSM's Family Self-Sufficiency (FSS) Program. HACSM only accepted new admissions through a referral process. The referring agency is a social service department, drug treatment facility, and/or homeless shelter. These referring agencies have signed agreements with HACSM to provide appropriate case management services to the family throughout the term of their subsidized housing assistance.	Encourage Self-Sufficiency and Increase Housing Choice	<i>See Proposed Activity #2014.31 – Expand MTW Self-Sufficiency Program</i>
2009.2	Housing Readiness Program	2008	HACSM partners with San Mateo County's Center on Homelessness and other providers of homeless services. The goal of this partnership is to serve homeless individuals and families. Program participants receive rental subsidy for up to three years while at the same time having continued access to various support programs.	Encourage Self-Sufficiency	Still in effect. No anticipated changes.
2000.3	Elimination of 40% affordability cap at initial move-in/lease-up	2000	Eliminates 40% cap on the proportion of household income that could be spent on housing costs for new lease-ups	Increase Housing Choice and Reduce Administrative Costs	Still in effect. No anticipated changes.
2000.4	Escrow Accounts	2000	HACSM changed the method by which escrow is calculated for the FSS program participants. Instead of using a calculation that only looks at increases in earned income, HACSM designed a calculation method that considers several activities that support a families increasing self-sufficiency.	Encourage Self-Sufficiency	Still in effect. No anticipated changes.

Housing Authority of the County of San Mateo – MTW Annual Plan **FY2014**

Ongoing MTW Activities: HUD Approval Previously Granted					
Activity #	MTW Activity Name	Year Implemented	Activity Description	Statutory Objective(s)	Changes or updates to the activity, if any
			The maximum escrow credit and pay out at graduation is \$3,000 per family. Because escrows are calculated and credited at the end of the FSS Contract term, interim withdrawals are eliminated.		
2009.5	Expand usage of project-based vouchers at HACSM developments undergoing disposition process	2008	HACSM received approval to project-base up to 100% of the public housing units undergoing the dispo process.	Increase Housing Choice and Reduce Administrative Costs	The dispo application for the 30 units at El Camino Village has been postponed and may move to HUD's Rental Assistance Demonstration (RAD) program in FY2014.
2010.6	Biennial recertification schedule for elderly/disabled households	2009	HACSM conducts recertifications for HCV households designated as elderly or disabled on a biennial basis.	Encourage Self-Sufficiency and Reduce Administrative Costs	Still in effect. No anticipated changes.
2010.7	Simplify Rent Calculation Process	2009	<ul style="list-style-type: none"> <li>Eliminate the imputed asset rate – use actual interest income on assets</li> <li>Eliminate the Earned Income Disallowance (EID)</li> </ul>	Increase Housing Choice and Reduce Administrative Costs	Still in effect. No anticipated changes.
2010.8	Simplify Third-Party Verification Process	2009	<ul style="list-style-type: none"> <li>Increase asset values requiring 3<sup>rd</sup> party verification to \$50,000</li> <li>Streamline verification of eligible medical and child care expenses</li> <li>Extend the verification timeline to 120 days</li> </ul>	Increase Housing Choice and Reduce Administrative Costs	Still in effect. No anticipated changes.
2010.9	Tiered Subsidy Tables	2010	To determine the maximum subsidy amount in the Voucher program, the annual adjusted income for the family is determined from the rent calculation, including all deductions and allowances for which the family is eligible and is then compared to their eligible voucher size. For mixed families, the subsidy is prorated based on the number of eligible and ineligible family members.	Increase Housing Choice and Reduce Administrative Costs	Still in effect. No anticipated changes.
2010.10	Simplify HOS Processes	2009 2010	<ul style="list-style-type: none"> <li>HACSM to inspect HACSM-owned properties</li> <li>HACSM not required to submit inspection reports for HACSM-owned or affiliated properties to the HUD Field Office</li> </ul>	Reduce Administrative Costs	Still in effect. No anticipated changes.
2010.11	Eliminate competitive process for allocation of Project-Based Vouchers to former public housing	2011	HACSM will allocate project-based vouchers to its former public housing units without the use of a competitive process	Increase Housing Choice and Reduce Administrative Costs	Expand scope of activity to include other housing units owned by HACSM or HACSM affiliates such as the redeveloped Half Moon Village.  The dispo application for

**Housing Authority of the County of San Mateo – MTW Annual Plan FY2014**

<b>Ongoing MTW Activities: HUD Approval Previously Granted</b>					
<b>Activity #</b>	<b>MTW Activity Name</b>	<b>Year Implemented</b>	<b>Activity Description</b>	<b>Statutory Objective(s)</b>	<b>Changes or updates to the activity, if any</b>
					the 30 units at El Camino Village has been postponed and may move to HUD's Rental Assistance Demonstration (RAD) program in FY2014.
2010.12	Waive 12 month stay requirement for residents in formerly public housing units converted	2011	Offers residents of public housing units undergoing disposition from public housing status, and who will receive PBV assistance, the option to relocate immediately or any time thereafter, using a tenant transfer voucher.	Increase Housing Choice	No anticipated changes.
2010.13	Accept lower HAP by modifying PBV rules for in-place residents at former Public Housing developments	2011	At the time of disposition, 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 occupied.	Reduce Administrative Costs	Still in effect. No anticipated changes.  The dispo application for the 30 units at El Camino Village has been postponed and may move to HUD's Rental Assistance Demonstration (RAD) program in FY2014.
2010.14	Establish flat or market rate policy for over-income Public Housing residents at conversion of Public Housing units to Project-Based units	2011	Permits residents of public housing undergoing the disposition process that are not eligible to receive a voucher due their exceeding the income limitations of the voucher program to have the option to remain in the unit (for a maximum of 12 months) at the higher of the flat rate or market rate for the unit.	Encourage Self-Sufficiency	No anticipated changes.
2011.15	Institute biennial inspection schedule for units under contract	2010	Implement a biennial inspection schedule for all HCV units. HACSM continues to conduct any complaint inspections. The units must at all times meet Housing Quality Standards while under contract.	Reduce Administrative Costs	Still in effect. No anticipated changes.
2011.16	Expand the Section 8 Project-Based Voucher program	2011	<ol style="list-style-type: none"> <li>1. Adopt policies that allow up to 100% of the units in a multifamily building to be project-based.</li> <li>2. Increase project-based funding up to 30% of its HCV budget authority</li> <li>3. Adopt policies that may require participating families to stay more than 12 months before they move with continued assistance; propose that any continued assistance would be a part of the MTW/FSS program, a six time-limited program.</li> </ol>	Increase Housing Choice	Still in effect. No anticipated changes.
2011.17	Revise Eligibility Standards	2010	Apply asset value limit for all new applicants and participants. If applicants have assets valuing more than \$100,000, or ownership interest in a	Increase Housing Choice	Still in effect. No anticipated changes.

**Housing Authority of the County of San Mateo – MTW Annual Plan FY2014**

<b>Ongoing MTW Activities: HUD Approval Previously Granted</b>					
<b>Activity #</b>	<b>MTW Activity Name</b>	<b>Year Implemented</b>	<b>Activity Description</b>	<b>Statutory Objective(s)</b>	<b>Changes or updates to the activity, if any</b>
			suitable home in which they can reside, they would be determined ineligible for the program. If participants experience an increase in assets valuing more than \$100,000, or gain ownership interest in property in which they have can reside, the participant would be determined ineligible.		
2011.18	Eliminate 100% excluded income from the income calculation process	2010	HACSM will not verify, count, or report income that HUD specifies as 100% excluded from the income calculation process.	Reduce Administrative Costs	Still in effect. No anticipated changes.
2011.19	Eliminate the requirement to complete new HAP contract with utility responsibility changes	2010	HACSM eliminated the requirement of executing a new HAP contract with the owner if there are any changes in lease requirements governing tenant or owner utility responsibilities.	Reduce Administrative Costs	Still in effect. No anticipated changes.
2011.20	Apply current payment standards at interim reexamination	2010	To apply current payment standard at whatever time the action is being processed (i.e. interim or annual reexamination).	Reduce Administrative Costs	Still in effect. No anticipated changes. This activity is becoming more obsolete as families convert to TST.
2012.21	Change qualifications for Full-Time Student (FTS) status	2011	In order for a family member, other than the head, co-head, or spouse to qualify for the FTS status, and dependent deduction and income exclusion, the family member must be less than 24 years old, a FTS at an accredited institution, and must provide a transcript of the full-time student status at all subsequent recertification appointments.	Reduce Administrative Costs	Still in effect. No anticipated changes.
2012.22	Include Foster Care, KinGap, and Adoption Assistance Payments in annual income calculation	2011	HACSM includes foster care, Kin Gap, and adoption assistance payments in the determination of annual adjusted income.  To help offset this inclusion of foster care and adoption assistance income, HACSM will provide a dependent allowance for foster children, disabled foster adults, and adopted children.	Encourage Self-Sufficiency and Reduce Administrative Costs	Still in effect. No anticipated changes.
2012.23	Modify head of household (HOH) changes policies	2011	HACSM implemented the following policies surrounding changes in the head of household (HOH): <ul style="list-style-type: none"> <li>The individual becoming the new HOH must be in the household for at least the previous 12 consecutive months, and</li> <li>At the time of the HOH change, the household would join the MTW-Self Sufficiency program (unless already enrolled)</li> </ul>	Reduce Administrative Costs	Still in effect. No anticipated changes.

Housing Authority of the County of San Mateo – MTW Annual Plan **FY2014**

<b>Ongoing MTW Activities: HUD Approval Previously Granted</b>					
<b>Activity #</b>	<b>MTW Activity Name</b>	<b>Year Implemented</b>	<b>Activity Description</b>	<b>Statutory Objective(s)</b>	<b>Changes or updates to the activity, if any</b>
			HACSM recognizes several exceptions to this policy.		
2012.24	Change automatic termination of HAP contract from 180 to 90 days	2011	HACSM reduced the number of days that a participant can remain on the program, while paying 100% of their rent, from 180 to 90 consecutive days.	Encourage Self-Sufficiency and Reduce Administrative Costs	Still in effect. No anticipated changes.
2012.25	Exclude asset income from calculations for households with assets under \$50,000	2011	HACSM has eliminated calculating or including income received from family assets valued less than \$50,000. Additionally, HACSM no longer reports the asset income valued less than \$50,000 to HUD through the HUD-50058.	Reduce Administrative Costs	Still in effect. No anticipated changes.
2012.26	Commitment of MTW funds for leveraging in the creation of additional affordable housing in San Mateo County	2011	HACSM committed 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 HACSM commitments. Development activities may include site acquisition, substantial rehabilitation of existing stock, and development of new units.	Increase Housing Choice	Still in effect. No anticipated changes.
2011.27	Provider-Based Programs	2011	HACSM proposed to adopt policies surrounding a provider-based assistance program, which is now its own activity as the funding and policies are outside the scope of the voucher program. The Provider-Based program was designed with the intention to reach populations in San Mateo County who were under-served or not served by the voucher program or other special-funded programs.	Increase Housing Choice and Encourage Self-Sufficiency	Still in effect. No anticipated changes.
2013.28	Apply MTW flexibilities to Public Housing	2012	HACSM applied some of the previously-approved MTW flexibilities for the HCV program to its one remaining Public Housing complex, El Camino Village.	Reduce Administrative Costs and Encourage Self-Sufficiency.	Still in effect. No anticipated changes.

SECTION V – Sources and Uses of Funds

**A. List planned sources and uses of the MTW Funds**

The chart below summarizes the HACSM MTW Budget for Fiscal Year 2014 (July 1, 2013 – June 30, 2014). This chart lists all planned revenue and expenditures for all funding sources that comprise the MTW Block Grant sources including Housing Choice Voucher (Section 8) Housing Assistance Payments, and Housing Choice Voucher (Section 8) Administrative fees. Funding for FY14 assumed 94% of actual funding eligibility from 2012 Enclosure A.

<b>Consolidated Sources and Uses of MTW Funds (FYE 2014)</b>		
<b>Revenue (Sources)</b>		
MTW Program HAP & Administrative Fees	59,442,513	
Port-In Vouchers HAP & Admin Fees	3,140,250	
Public Housing Rental Income	232,196	
Public Housing Operating Fund	150,000	
Public Housing Capital Fund	200,000	
Investment Income	168,971	
Miscellaneous Income**	139,133	
<b>Total Revenue</b>		<b>63,473,063</b>
<b>Expense (Uses)</b>		
Housing Assistance Payments	53,812,115	
Port-Out Vouchers HAP Payments	2,973,293	
Administrative and General Expense	5,035,272	
Provider Based Assistance Payments	516,800	
Utilities	37,353	
Operations and Maintenance	267,827	
Development and Capital Projects	240,000	
<b>Total Expense</b>		<b>62,882,660</b>
<b>Operating Income/(Loss)</b>		<b>590,403</b>
Reserve Drawdown/(Buildup)		<b>(590,403)</b>
<b>Net Income/Loss</b>		<b>0</b>

Note: It is anticipated that El Camino Village will be operated as public housing for the entire year

\*\*Miscellaneous Income includes escrow forfeitures, fraud recovery, tenant parking charges and other non-rent charge, laundry room receipts and miscellaneous charges.

**Planned Sources and Uses of Non-MTW Funds**

The chart below summarizes the HACSM Consolidated Non-MTW Budget for FY2014 (July 1, 2013 – June 30, 2014). This chart lists all planned revenue and expenditures for other funds that are not eligible MTW Block Grant funds (including state and local funds).

<b>Consolidated Sources and Uses of <i>Non</i>-MTW Funds (FYE 2014)</b>		
<b>Revenue (Sources)</b>		
Grants (Shelter Plus Care and Supportive Housing)	2,925,513	
Non-MTW HAP and Administrative Fees *	2,876,366	
Rental Income	2,993,008	
Investment Income	62,557	
Miscellaneous Income	176,106	
<b>Total Revenue</b>		<b>9,033,550</b>
<b>Expense (Uses)</b>		
Administration and General Expense	1,690,314	
Utilities	186,354	
Operations and Maintenance	1,015,903	
Housing Assistance Payments	5,137,096	
Development and Capital Projects	470,000	
<b>Total Expense</b>		<b>8,499,667</b>
<b>Operating Income/(Loss)</b>		<b>533,883</b>
Reserve Drawdown/(Buildup)		<b>(533,833)</b>
<b>Net Income/Loss</b>		<b>0</b>

\* Non-MTW HAP and Administrative fee voucher types are VASH, Family Unification Program, and Moderate Rehabilitation.

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

The chart below summarizes the HACSM State and Local Funds Budget for FY2014 (July 1, 2013 – June 30, 2014). This chart lists all planned revenue and expenditures for all funding sources that comprise State and Local operating activities. The budgeted net income is anticipated to be deposited to current operating reserves.

<b>Consolidated Sources and Uses of State and Local Funds (FYE 2014)</b>		
<b>Revenue (Sources)</b>		
Rental Income	2,993,008	
Investment Income	57,871	
Miscellaneous Income	156,126	
<b>Total Revenue</b>		<b>3,207,005</b>
<b>Expense (Uses)</b>		
Administrative and General Expense	993,379	
Utilities	186,354	
Operations and Maintenance	1,011,311	
Development and Capital Projects	470,000	
<b>Total Expense</b>		<b>2,659,044</b>
<b>Operating Income/(Loss)</b>		<b>547,961</b>
Reserve Drawdown/(Buildup)		<b>(547,961)</b>
<b>Net Income/Loss</b>		<b>0</b>

**C. If applicable, list planned vs. actual 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. Describe the Planned Use of MTW Single-Fund Flexibility

On July 1, 2008, HACSM received HUD approval to block grant all MTW programs. On March 3, 2010, HACSM received the executed grant amendment for Attachment A. On June 18, 2010, HACSM received HUD approval of its amended Attachment D – Broader Use of Funds, allowing HACSM to develop a local, non-traditional program with voucher funds.

HACSM launched its Provider Based Voucher program (see MTW On-going Activity #2011.21), to serve households not easily served through the Voucher or specially-funded grant programs. HACSM has current contracts with three different Providers: CORA (Community Overcoming Relationship Abuse), Service League of San Mateo County, and HIP Housing. The estimated annual expense for this program is \$516,800.

HACSM began construction of Phase I of its Half Moon Village redevelopment in December 2012. Phase I consists of 45 units of affordable senior housing. Phase II will consist of an additional 115 units of affordable senior housing with construction scheduled to begin in January 2014. HACSM committed a total of \$4,000,000 for both phases of construction. The total amount of non-traditional funds expended (long-term loan) for Phase I is \$1,859,267. Up to an additional \$2,140,733 is available for Phase II construction.

SECTION VI – Administrative

**A. Board Resolution adopting 50077-MTW and Certification of Compliance**

See Appendix Three

**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**

See Appendix Two for documentation of the following public processes for this Plan:

- i. March 5, 2013 – Public Hearing at HACSM office. Plan available for public comment for at least thirty (30) days. No comments received.
- ii. March 22, 2013 – Meeting with various service providers in San Mateo County. Invitation to approximately 70 providers; approximately 20 agencies attended the meeting. Comments from meeting attached in Appendix Two.
- iii. March 26, 2013 – Public Hearing in front of the Board of Commissioners. No comments received.

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

HACSM is not planning on completing additional agency-directed evaluations of the demonstration at this time

## **Appendix One**

### **MTW Standard Agreement, including:**

- **Attachment A with First Amendment executed 3/3/2010**
- **Attachment B**
- **Attachment C**
- **Attachment D with Second Amendment executed 6/18/2010 and Third Amendment executed 1/28/2013**

### Amended and Restated Moving to Work Agreement

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

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

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

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

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

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

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

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

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

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

## **I. Statutory Authorizations**

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

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

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

## **II. Requirements and Covenants**

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

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

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

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

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

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

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

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

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

### **IV. Evaluation**

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

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

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

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

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

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

C. Continuation of Activities.

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

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

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

## **VI. Funding**

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

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

## VII. Administrative Responsibilities

### A. Annual MTW Planning and Reporting.

#### 1. Annual MTW Plans

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

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

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

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

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

## 2. Annual MTW Reports

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

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

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

**B. Other Data Submission Requirements.**

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

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

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

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

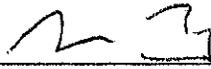
### **VIII. Termination and Default**

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

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

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

HOUSING AUTHORITY OF THE  
COUNTY OF SAN MATEO

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

ITS: Duane Bay, Director

Date: 4/9/08

UNITED STATES DEPARTMENT OF  
HOUSING AND URBAN DEVELOPMENT

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

ITS: Assistant Secretary

Date: 12.20.07

**ATTACHMENT A**  
**Calculation of Subsidies**  
**TO**  
**MOVING TO WORK AGREEMENT**  
**BETWEEN**  
**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**  
**AND**  
**HOUSING AUTHORITY OF THE COUNTY OF SAN MATEO**

Upon execution of the First Amendment to the Moving to Work (MTW) Agreement (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 assistance 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. Funding eligibility for CY 2009 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, (2) adjusted by the Annual Adjustment Factor (AAF), and (3) adjusted 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 fee 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.

1/21/2010

FIRST AMENDMENT

TO

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

This First 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 A to the Agreement is amended as follows:

The entire original Attachment A to the Amended and Restated Agreement is replaced with the attached version.

IN WITNESS WHEREOF, the parties have caused this First 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 for PIH

Date: 3/3/10 \_\_\_\_\_

## Attachment B

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

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

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

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

## II. General Housing Authority Operating Information

Please provide the following:

### A. Housing Stock Information

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

### B. Lease Up Information

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

### C. Waiting List Information

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

Please provide the following:

### A. Housing Stock Information

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

### B. Lease Up Information

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

### C. Waiting List Information

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

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

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

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

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

**Annual  
MTW  
Report,  
cont.**

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

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

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

**Number of Low-Income Families Served**

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

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

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

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

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

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

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

**Annual  
MTW  
Report,  
cont.**

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

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

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

<b>Explanations for Baseline adjustments to the distribution of family sizes utilized</b>	
---	--

**Mix of Family Sizes Served**

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

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

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

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

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

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

## ATTACHMENT C

STATEMENT OF AUTHORIZATIONS

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

**A. General Conditions**

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

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

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

**1. Single Fund Budget with Full Flexibility**

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

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

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

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

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

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

3. Definition of Elderly Family

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

4. Transitional/Conditional Housing Program

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

5. Investment Policies

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

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

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

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

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

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

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

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

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

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

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

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

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

6. Incentives for Underutilized Developments

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

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

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

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

8. Streamlined Demolition and Disposition Procedures

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

9. Simplification of Property Management Practices

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

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

- b. The Agency is authorized to develop and adopt a new form of local lease and establish community rules, grievance procedures, tenant self-sufficiency requirements and reasonable tenant fees based on proven private management models (subject to State and local laws), provided that no-cause evictions are not permitted. *This authorization waives certain provisions of Section 6 (l) of the 1937 Act and 24 C.F.R. 966 Subparts A and B as necessary to implement the Agency's Annual MTW Plan.*

10. Special Admissions and Occupancy Policies for Certain Public Housing Communities

The Agency is authorized to involve a broad spectrum of community stakeholders, including advocacy groups, in a process to explore and adopt reasonable restrictions for occupancy of specific public housing buildings in the Agency's inventory. Buildings, or portions of buildings (floors, units), may be designated as Smoke-Free, Pet-Free or Assisted Living (or other similar reservations). The Agency may establish admissions preferences in order to establish these special occupancy requirements. A key goal of this initiative will be to ensure that the Agency is able to maintain and improve the quality of life in the Agency communities. These reservations or policies must not have a disparate impact on protected classes and must be operated in a manner that is consistent with the requirements of Section 504 of the Rehabilitation Act. Any such designations or policies will include adequate safeguards for the disabled, including protections for disabled persons who are Agency residents and those seeking housing assistance. Residents can voluntarily participate in any of the services provided. Once adopted, the designations or policies will be updated and reviewed as part of the Annual MTW Plan and Report submitted by the Agency for HUD's review. In particular, the Agency will review the demographic make-up of its current resident population and applicants to assess the need for and support any changes to its designations or policies. *This authorization waives certain provisions of Sections 3, 6, 7, 16, and 31 of the 1937 Act and 24 C.F.R. 945 subpart C, 960 Subparts B, D, E and G as necessary to implement the Agency's Annual MTW Plan.*

11. Rent Policies and Term Limits

The Agency is authorized to determine family payment, including the total tenant payment, the minimum rent, utility reimbursements and tenant rent. The Agency is authorized to adopt and implement any reasonable policies for setting rents in public housing including but not limited to establishing definitions of income and adjusted income, or earned income disallowance that differ from those in current statutes or regulations. The Agency is authorized to adopt and implement term limits for its public housing assistance. Such policies must include provisions for addressing hardship cases. *This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency's Annual MTW Plan.*

12. Design Guidelines

The Agency is authorized to establish reasonable and modest design guidelines, unit size guidelines and unit amenity guidelines for development and redevelopment activities that will replace HUD guidelines with guidelines that reflect local marketplace conditions for quality construction in its locality so long as all units meet housing quality standards approved by the Secretary. *This authorization waives certain provisions of Sections 4, 5, and 9 of the 1937 Act and 24 C.F.R. 941.202, 941.203, 941.401, and 941.403 as*

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

13. Site Acquisition

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

14. Commercial Business Venture

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

15. Available Property

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

16. Total Development Cost (TDC) limits

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

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

1. Operational Policies and Procedures

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

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

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

## 2. Rent Policies and Term Limits

- a. The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. The Agency is authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503 and 982.518, as necessary to implement the Agency's Annual MTW Plan;*

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

### 3. Eligibility of Participants

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

### 4. Waiting List Policies

The Agency is authorized to determine waiting list procedures, tenant selection procedures and criteria and preferences, including authorizing vouchers for relocation of witnesses and victims of crime that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act*

and 24 C.F.R. 982 Subpart E, 982.305 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan.

5. Ability to Certify Housing Quality Standards

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

6. Local Process to Determine Eligibility

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

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

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

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

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

*Agency's Annual MTW Plan;*

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

**8. Homeownership Program**

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

**E. Authorizations Related to Family Self Sufficiency**

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

**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.

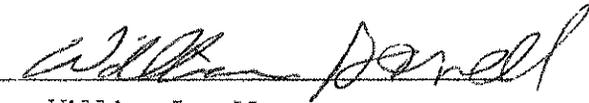
The Agency and HUD hereby agree that they do not intend for the Amended and Restated MTW Agreement to limit or restrict the authority to use MTW Funds as provided by the Original MTW Agreement, that notwithstanding any language to the contrary, those provisions in this Agreement or its attachments that 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.

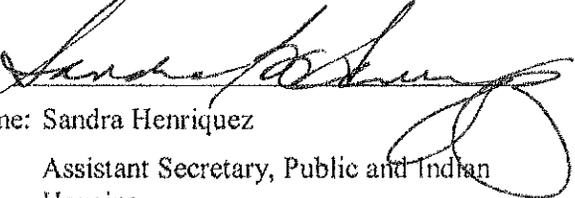
Notwithstanding the above, such funds remain Federal funds, and are subject to any and all other Federal requirements outside of the 1937 Act (e.g., including but not limited to Appropriations Acts, competitive HUD notices of funding availability under which the Agency has received an award, state and 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: William Lowell  
Its: Executive Director  
Date: 5/13/10

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

By:   
Name: Sandra Henriquez  
Its: Assistant Secretary, Public and Indian Housing  
Date: 06/18/2010

**THIRD 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 Third 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, all capitalized terms used herein shall have the same meanings ascribed to them in the Agreement.

Attachment D is amended as follows:

The following language is added to the Housing Authority of the County of San Mateo's Attachment D:

**Use of Replacement Housing Factor Funds for Development**

The Agency and HUD acknowledge that Section B(1)(a) of Attachment C of this Agreement regarding the ability to combine funds awarded annually pursuant to Section 8(o), 9(d) and 9(e) of the U.S. Housing Act of 1937 ("1937 Act") into a single, authority-wide funding source ("MTW Funds") is inclusive of replacement housing factor ("RHF") funds provided for at 24 CFR 905.10(i) provided the conditions detailed below are met. The Agency may exercise one of the following options in the administration of RHF funds.

- 1) Option 1: The Agency may administer its RHF awards outside of its MTW Funds. These funds must be used in accordance with RHF requirements and may accumulate under an approved RHF Plan or be subject to the two-year obligation and four year expenditure deadlines. The Agency would be eligible for second increment RHF funds, which would be administered outside of the agency's MTW Funds.
- 2) Option 2: The Agency may combine its first increment RHF funds in its MTW Funds and use the funds for any purpose allowable in this Agreement and approved in an MTW Plan, as detailed in Section B(1)(e) of Attachment C of this Agreement. Obligation and expenditure requirements of Section 9(j) of the 1937 Act still apply to these funds. If administering first increment RHF funds in this way, the Agency forgoes eligibility for second increment RHF funds.
- 3) Option 3: If the Agency combines its first increment RHF funds in its MTW Funds pursuant to Option 2, but wants to receive a second increment of RHF funds, while the Agency may use the funds for any purpose allowable in this Agreement and approved in an MTW Plan, the Agency must spend a portion of its MTW Funds for construction of new public and/or affordable housing. The amount of MTW Funds the Agency must spend on construction of new public and/or affordable units must be equal to or greater than the total amount of RHF funds included in the MTW Funds. In addition, the number of new public and/or affordable units it constructs must be equal to or greater than the number of public housing units the

Agency would have developed if it had not included its RHF funds in its MTW Funds. This is referred to as the "Proportionality Test." [For example, if an Agency deposits \$500,000 of RHF funds in its MTW Block Grant, the Agency must spend at least \$500,000 of its MTW Block Grant funds on the construction of new public and/or affordable housing. The specific number of new public and/or affordable housing units that must be constructed is determined by dividing \$500,000 by the Total Development Cost (TDC) limit applicable to the type of new units being developed. For example, if the Agency is developing 2-bedroom townhomes and the TDC for these types of units is \$220,000, the Agency must construct a minimum of three new 2-bedroom townhomes (\$500,000 divided by \$220,000 = 2.7.) This calculation must be done for each year that RHF funds are received by the PHA and included in the MTW Block Grant.]

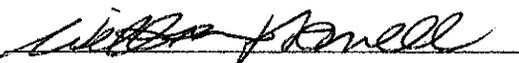
- i) The applicable TDC will be either the HUD TDC limit for the year in which construction of the units commences or an alternate TDC approved by HUD as part of the MTW approval process.
- ii) The new public and/or affordable units required to be developed may be developed directly by the Agency or developed through a Mixed-Finance transaction.
- iii) Any project which includes construction of public housing units must be approved by HUD following either the Development process (units owned by the Agency) or the Mixed-Finance process (units owned by an entity other than the Agency).
- iv) The Agency must show significant progress on construction of the new public and/or affordable units required during the first increment of RHF funds in order to receive the second increment of RHF funds.
- v) If an Agency chooses to include second increment RHF funds in its MTW Block Grant, then second increment RHF funds will be subject to the Proportionality Test and the same requirements as first increment funds regarding the amount of MTW Block Grant funds that must be spent on the construction of new public and/or affordable housing and the number of units which must be constructed.
- vi) Leveraging requirements still apply to the second increment RHF funds.
- vii) The 2-year obligation and 4-year expenditure deadlines are still applicable to both the first and second increment RHF funds deposited into the MTW Block Grant.
- viii) The new units constructed must be consistent with the MTW Statute and Agreement. In order to develop affordable (non-public housing) units, an Agency must have received prior HUD authority to implement local, non-traditional activities.
- ix) Prior to implementing Option 3, an Agency must amend their MTW Agreements to allow for deposit of RHF Funds in the MTW Block Grant and the receipt of second increment RHF Funds (a standard HUD Amendment must be used).
- x) Prior to implementing Option 3, an Agency must include the development of the new public and/or affordable units in their MTW Plan and include RHF funds in Section 7, the Sources and Uses Chart.

- xi) As long as the Agency has included in its MTW Plan the construction of the new public and/or affordable units and its intention to combine RHF funds in the MTW Block Grant and receive second increment RHF funds, the Agency does not need to submit an RHF Plan to HUD. However, the MTW Plan must include the information required in an RHF Plan, as prescribed by HUD.
- xii) The Agency must include in its annual MTW Report an update on the amount of RHF funds included in the MTW Block Grant, the amount of funds spent on construction of new public and/or affordable housing, the number of units being constructed, and the status of construction. The Agency must show significant progress on construction of units during the first increment of RHF funds in order to receive second increment RHF funds.

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 Third Amendment to be executed by their duly authorized representatives.

HOUSING AUTHORITY OF THE COUNTY OF  
SAN MATEO

By: 

Name: William Lowell  
Its: Executive Director

Date: 12-20-12

UNITED STATES DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT

By: 

Name: Sandra B. Henriquez  
Its: Assistant Secretary, Public and Indian  
Housing

Date: 01/28/2013

## **Appendix Two**

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

1. March 5, 2013 – Public Hearing at HACSM office. Plan available for public comment for at least thirty (30) days. No comments received.
2. March 22, 2013 – Meeting with various service providers in San Mateo County. Invitation to approximately 70 providers; approximately 20 agencies attended the meeting. Comments from meeting attached.
3. March 26, 2013 – Public Hearing in front of the Board of Commissioners. No comments received.



# Department of Housing

264 Harbor Boulevard, Building A • Belmont, CA 94002

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## **FY2014 Moving-To-Work 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 FY2014 Moving-To-Work (MTW) Annual Plan:

**Date & Time:** Tuesday, March 5, 2013, 9:00 AM

**Location:** Department of Housing  
Hacienda & Veranda Rooms  
264 Harbor Blvd, Building A  
Belmont, CA 94002

### **Public Review Period**

The proposed MTW Annual Plan is available for review online at [www.smchousing.org](http://www.smchousing.org) beginning February 2, 2013. HACSM will be accepting written comments regarding the proposed MTW Annual Plan from February 2, 2013 – March 5, 2013. Please send your comments to:

By mail: HACSM  
Attn: Debbie McIntyre, Administrative Services Manager  
264 Harbor Blvd, Building A  
Belmont, CA 94002

By email: [DMcIntyre@smchousing.org](mailto:DMcIntyre@smchousing.org)

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As an MTW agency, the Housing Authority of the County of San Mateo is pleased to be one of 38 agencies nationwide granted the permission, from the Department of Housing and Urban Development (HUD), to design and test innovative program initiatives that more closely address the needs of families in San Mateo County.

In May 2000, HACSM started participation as a small MTW demonstration program. In July 2008, the MTW demonstration program was expanded to all Housing Choice Voucher (HCV) programs. HACSM has developed many activities to increase housing choice for low income families, streamline administrative processes resulting in increased efficiencies and cost savings, and create 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 HUD approval will begin July 1, 2013:

- Use of Replacement Housing Factor (RHF) funds
- Expand MTW Self-Sufficiency Program
- Revise Child Care Expense Deduction

**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 2nd Day of February 2013.

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



Gale Green

Dated at San Mateo, California,  
this 4<sup>th</sup> day of Feb. 2013

**203 Public Notices**

**PUBLIC NOTICE**

The Housing Authority of the County of San Mateo announces a Public Hearing:

**DATE:**

Tuesday, March 5, 2013

**TIME:**

9:00 AM

**PLACE:**

264 Harbor Blvd. Bldg A,  
Belmont, CA 94002  
Hacienda/Veranda Rooms

The purpose of the hearing is to obtain input from County residents and other interested parties in reference to the 2013-2014 MTW Annual Plan to be submitted to the U.S. Department of Housing and Urban Development. A copy of the proposed 2013-2014 MTW Annual Plan is available online at [www.smehousing.org](http://www.smehousing.org) commencing February 2, 2013.

Published in the San Mateo Daily Journal, February 2, 2013.

# **Housing Authority of the County of San Mateo (HACSM)**

## **PUBLIC HEARING**

MTW Annual Plan FY2014 (July 1, 2013 – June 30, 2014)

March 5, 2013

9:00 AM

264 Harbor Blvd., Bldg. A  
Hacienda & Veranda Rooms  
Belmont

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## **Agenda**

1. Introductions
  
2. Moving To Work (MTW) Program
  - ❖ Proposed MTW activities for July 2013
  - ❖ Review of HACSM's ongoing MTW activities
  
3. Comments/Questions

# **MTW Self-Sufficiency Program Expansion Meeting**

**Friday, March 22, 2013 • 10:00 AM to 12:00 PM**

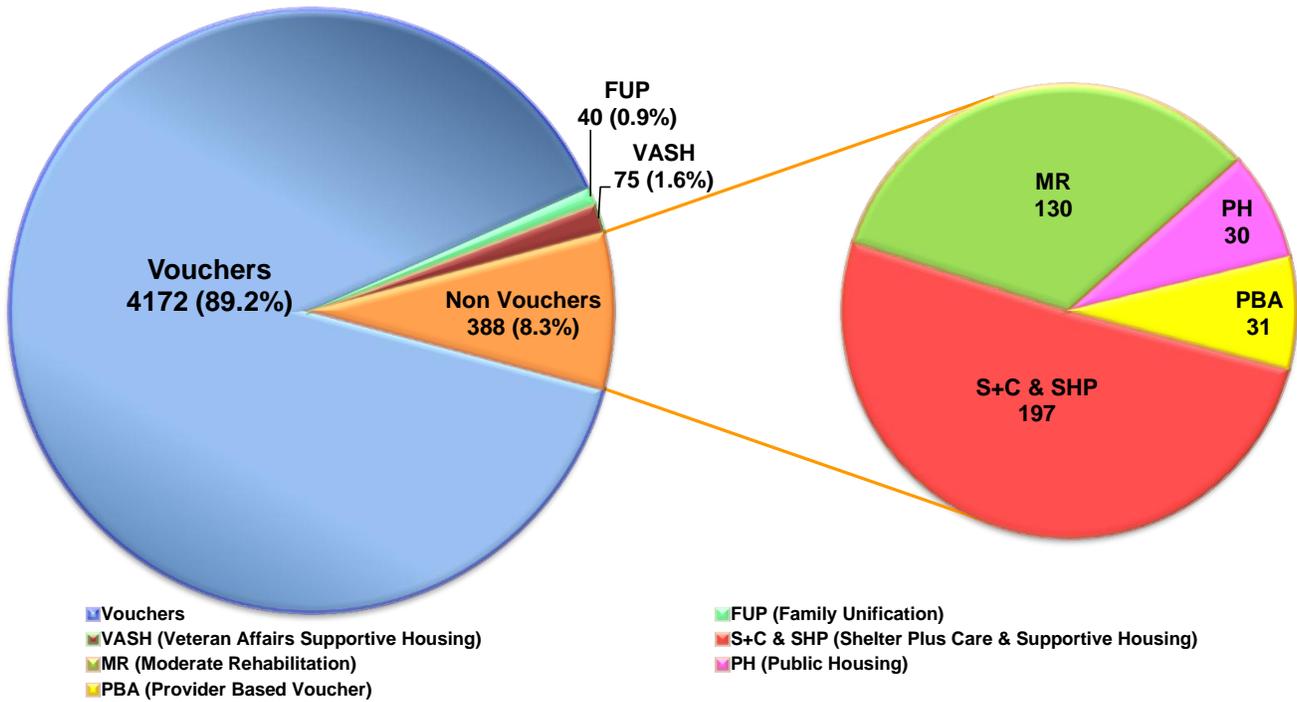
**Hacienda and Veranda, Belmont**

## **Agenda**

1. Voucher utilization background
2. MTW Plan Process
3. Family Self-Sufficiency expansion plan
4. Expansion Goals
5. Time Line
6. Feedback and Questions
7. Next Steps

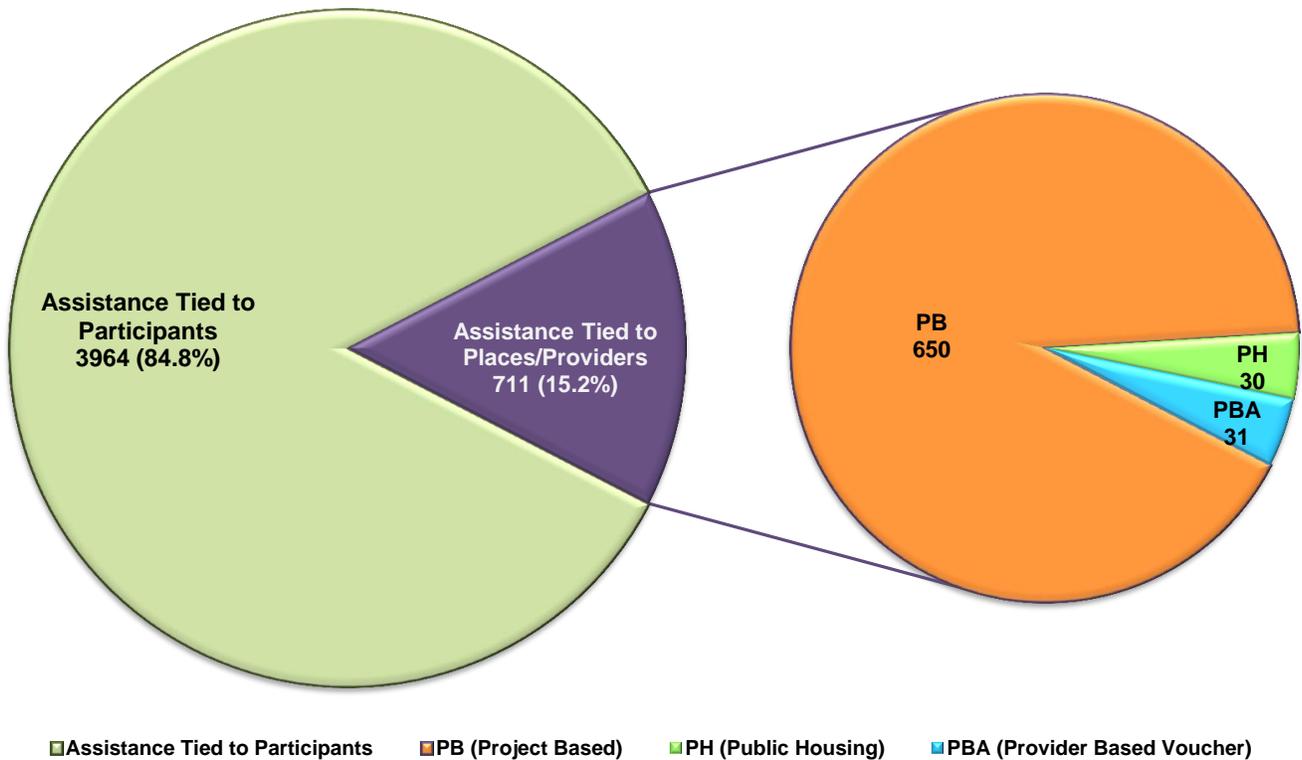
## 4675 Households Served

### Vouchers vs Non Vouchers



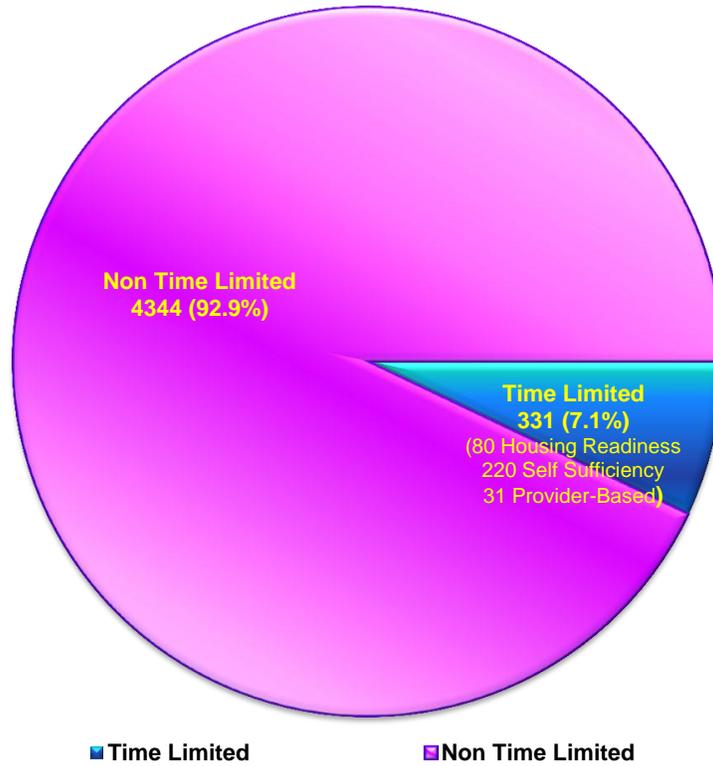
## 4675 Households Served

### Subsidy Tied to Participants vs Places / Providers



## 4675 Households Served

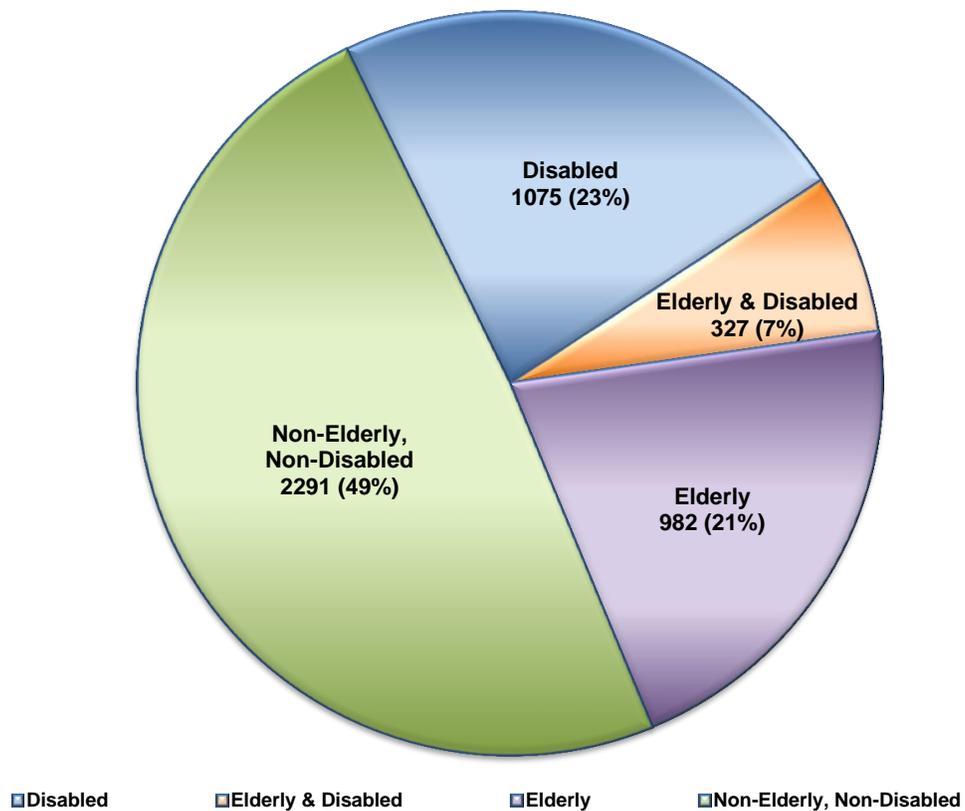
### Time Limited Assistance



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## 4675 Households Served

### Disabled, Elderly, Disabled Elderly, Non Disabled and Non Elderly



Framework for Considering Voucher Mix Priorities

Current Year Target	Strategic Goals					Serve Residents Most In Need		Facilitate Residents' Self-Sufficiency		Build Sustainable System Capacity		
						Elderly	Disabilities and Special Needs (Identified in HOPE Plan)	Self-Sufficiency Programs	Access to Higher Choice Neighborhoods	Strengthen Partners' Capacity	Create Affordable-Housing Assets	Serve More Households (time-limited vouchers)
Each snapshot shows how the vouchers in each program (row) further each strategic goal (column).  This particular snapshot highlights the approximate distribution at the end of FY2012-13 and compares it to snapshots from three other time frames.	FY2012-17 Goal					31%	49%	22%	46%	48%	32%	23%
	FY2012-13 Target					29%	38%	13%	23%	39%	35%	14%
	Current Year Base					30%	35%	9%	20%	32%	34%	9%
	2007					29%	32%	9%	15%	23%	29%	7%
Voucher Type	+ 5 yrs	+ 1 yrs	7/1/2012	5 yrs ago	Approximate Number of Vouchers in each Program that Further each Goal							
<b>Regular Housing Choice Vouchers</b>												
Regular	2588	2930	3222	3339	725	595	83	854	0	518	0	
MTW Classic	800	400	220	300	224	800	800	267	800	0	800	
Housing Readiness	100	100	80	0	28	100	100	33	100	0	100	
<b>Tenant-Based</b>	<b>3488</b>	<b>3430</b>	<b>3522</b>	<b>3639</b>	<b>977</b>	<b>1495</b>	<b>983</b>	<b>1154</b>	<b>900</b>	<b>518</b>	<b>900</b>	
Partners' Complexes <sup>1</sup>	664	592	440	324	332	332	0	664	664	664	0	
Housing Authority's	150	150	210	60	45	30	0	150	150	150	0	
<b>Project-Based</b>	<b>814</b>	<b>742</b>	<b>650</b>	<b>384</b>	<b>377</b>	<b>362</b>	<b>0</b>	<b>814</b>	<b>814</b>	<b>814</b>	<b>0</b>	
	<b>4302</b>	<b>4172</b>	<b>4172</b>	<b>4023</b>	<b>1354</b>	<b>1857</b>	<b>983</b>	<b>1968</b>	<b>1714</b>	<b>1332</b>	<b>900</b>	
<b>Non Regular HCV</b>												
FUP (Family Unification)	40	40	40	0	0	40	0	10	40	0	0	
VASH (Veteran Affairs Supportive Housing)	150	100	75	0	40	150	0	20	150	0	0	
MR (Moderate Rehab)	0	130	130	130	0	0	0	0	0	0	0	
S+C (Shelter Plus Care)	180	170	163	157	60	180	0	55	180	77	0	
SHP (Supportive Housing)	34	34	34	34	10	34	0	10	34	0	0	
	<b>404</b>	<b>474</b>	<b>442</b>	<b>321</b>	<b>110</b>	<b>404</b>	<b>0</b>	<b>95</b>	<b>404</b>	<b>77</b>	<b>0</b>	
<b>Local Non-Traditional Use of Funds</b>												
PBA	80	50	31	0	0	80	80	40	80	40	80	
Capital Investments	150	100	100	0	75	75	0	150	150	150	150	
	<b>230</b>	<b>150</b>	<b>131</b>	<b>0</b>	<b>75</b>	<b>155</b>	<b>80</b>	<b>190</b>	<b>230</b>	<b>190</b>	<b>230</b>	
<b>Total</b>	<b>4936</b>	<b>4796</b>	<b>4745</b>	<b>4344</b>	<b>1538</b>	<b>2416</b>	<b>1063</b>	<b>2253</b>	<b>2348</b>	<b>1599</b>	<b>1130</b>	
<b>More Vouchers</b>	<b>592</b>	<b>452</b>	<b>401</b>	<b>BASE</b>								
<b>% Increase above base</b>	<b>14%</b>	<b>10%</b>	<b>9%</b>									

## Goals

### **Elderly**

### **Disabilities and Special Needs (Identified in HOPE Plan)**

### **Facilitate Self-Sufficiency**

### **Increase Residents' Access to Higher-Choice Neighborhoods**

### **Strengthen partners' capacity**

### **Create affordable housing assets**

### **Serve More Households**

## Technical Definition

Serve households headed by elderly who are 62 and over, some of whom may be disabled

Serve households headed by non-elderly disabled person plus any vouchers targeted to populations identified in the HOPE plan [HRP, S+C, SHP, VASH, FUP]

Provide term-limited assistance and case management service to households increasing self-sufficiency. [MTW + HO + HRP + PBA]

Neighborhoods that are within 1/4 mile of fresh meat & produce and a major transit stop. [Newly constructed PBV units + existing TBD]

Provide housing resources and/or revenue to partner organizations that provide direct services to voucher holders and others. [PBV + PBA + MTW + HRP]

Provide operating revenue and/or capital to owner/operators of permanently affordable housing. [PBV + ModRehab + S+C]

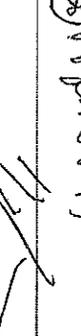
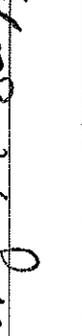
Provide term-limited assistance to households increasing self-sufficiency. [MTW + HO + HRP + PBA]

**MTW Self-Sufficiency Program Expansion Meeting**  
**Friday, March 22, 2013 • 10:00 AM to 12:00 PM • Hacienda & Veranda, Belmont**

Name	Organization	Phone	Email	Signature
Grace Siliezar	CORA	(650) 288-7302	graces@corasupport.org	
Loc NGUYEN	HSA	650-802-3390	LANGUYEN@SMCHSA.ORG	
Sheeli Gomes	CaminaAR	650 921-1944	Sherigomes@yahoo.com	
Reinisa Martin	HIP Housing	(650) 348-6660	smartin@hiphousing.org	
Judy Bell Ara	HACSM	(650) 802-2321	mellaeta@housing.org	
Miguel Andreu	City of Redwood City Fair Oaks	780-7508	mandre@redwoodcity.org	
JOHN JOY	HSA	5157		
F. McNAIR-KNOX	One East Palo Alto	650 330-7462	mcmair@1epa.org	
Stephanie Weisman	StarVista	650-465-0163	stephanie.weisman@star-vista.org	
Silvia L. Flores	El Concilio	650 330-7431	lflores196@gmail.com	
Rob Lajeie	Peninsula Family Service	650 403-4300x415	rlajeie@peninsulafamilyservice.org	
<b>LAURIN GUTIERREZ</b>	<b>WPA</b>	<b>310-6003</b>		

MTW Self-Sufficiency Program Expansion Meeting

Friday, March 22, 2013 • 10:00 AM to 12:00 PM • Hacienda & Veranda, Belmont

Name	Organization	Phone	Email	Signature
Robert Burnett	SMC Workforce	650 802 5108	r.burnett@smcga.org	
Kathy Carr	BHRS	650-802-5057	Kacarr@smcga.org	
Jennifer Rogers	HSA	650-802-0801	jr@hsa.org	
Renee Harris	BHES EPA	" 363 4030	rharris@bhes.org	
Marue Benzly	WKA	650-207-5167	mbenzly@womensrenew.org	
JACOB LIKE	WSON	650 222 8700	jlike@wson.org	
Wendy Goldway	HSR	650 802 3378	wgoldway@hsr.org	
SANDRA CARPIN	Sammitum	650-523-0806	Sandra@sammitum.org	
Elvira Flores Garcia	EC SMC	650-373-1084	eflores@ecsmc.org	
Quinta Sulpizio	UAMINCA	" 363 8706	quinta@uaminca.org	

## Comments and Questions from March 22, 2013 Provider Meeting

- On the Voucher Distribution chart, why did Mod Rehab go from 130 to zero?
- Elderly/Disabled – confirmed that, generally, elderly/disabled will not be affected by the time limits due to the hardship exemption/policy;
- Clarified that the 'pie' for households served doesn't get bigger (no increased funding), it's just sliced differently;
- Voucher turnover – how do we determine who gets the next voucher?
- Will we still accept referrals from the current referring agencies (for the time-limited program)?
- How will we guarantee the level of case management for eventual increase to 800?
- What happens when people move out of the County?
- Some providers expressed concerns over the current rental market conditions in the County;
- What, if anything, will be different in case management with regular HCV? What is case management currently like for FSS program?
- Have we looked at or considered Measure A proposals or potential funding from it?
- Will we have one or two wait lists?
- Exciting opportunity for partnerships

**San Mateo County Board of Supervisors**

**AGENDA**

**Board Members**

Dave Pine  
Carole Groom  
Don Horsley  
Warren Slocum  
Adrienne J. Tissier

**County Manager/  
Clerk of the Board**  
John L. Maltbie

**County Counsel**  
John C. Beiers

Hall of Justice • 400 County Center • Redwood City • California 94063 • 650-363-4653 • [www.smcgov.org](http://www.smcgov.org)

**REGULAR MEETING  
SAN MATEO COUNTY BOARD OF SUPERVISORS  
TUESDAY, MARCH 26, 2013  
9:00 A.M.**

*Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact Rebecca Romero, Agenda Administrator at least 2 working days before the meeting at (650) 363-1802 and/or [rxromero@smcgov.org](mailto:rxromero@smcgov.org). Notification in advance of the meeting will enable the County to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it. Attendees to this meeting are reminded that other attendees may be sensitive to various chemical based products.*

*If you wish to speak to the Board, please fill out a speaker's slip located on the table near the door. If you have anything that you wish distributed to the Board and included in the official record, please hand it to the Clerk of the Board who will distribute the information to the Board members and staff.*

**PLEDGE OF ALLEGIANCE**

**ROLL CALL**

**PUBLIC COMMENT**

(This item is reserved for persons wishing to address the Board on any County-related matters not otherwise on this agenda, and on any listed agenda items other than those Matters Set for a Specified Time or on the Regular Agenda. Members of the public who wish to address the Board should complete a speaker request form. Speakers are customarily limited to two minutes.)

**ACTION TO SET AGENDA and TO APPROVE CONSENT AGENDA ITEMS**

(This item is to set the final consent and regular agenda, and for the approval of the items listed on the consent agenda. All items on the consent agenda are approved by one action.)

**PRESENTATIONS AND AWARDS**

1. Presentation honoring Supervisor Carole Groom upon receiving the California Parks and Recreation Society's Champion of the Community Award (Supervisor Don Horsley)
2. Presentation of commendations honoring the dental professionals who participated in the 2013 Give Kids a Smile Day (Supervisor Dave Pine)
3. Recognition of rapid response for disaster avoidance at the San Mateo Medical Center (Supervisor Adrienne Tissler)

**MATTERS SET FOR SPECIFIED TIME**

Times listed under this section are approximate. The Board makes every effort to adhere to the times listed, but in some cases, because of unexpected presentations, items may not be heard precisely at the time scheduled. In no case will any item be heard before the scheduled time.

4. 9:00 a.m.

Acting as the Governing Board of County Service Area No. 7 (La Honda area) and after conducting the public hearing adopt:

- A) An Ordinance amending Sections 4.104.010 and 4.104.020 of Chapter 4.104 of Title 4, of the San Mateo County Ordinance Code, setting the water rates for FYs 2012-13 through 2014-15 for County Service Area No. 7, previously introduced on January 29, 2013 and waiver of reading the Ordinance in its entirety; and
- B) A Resolution authorizing the imposition of water service rates and meter service charges
  - 1) Report and recommendation
  - 2) Close hearing
  - 3) Adopt ordinance
  - 4) Adopt resolution

5. 9:15 a.m.

Acting as the Governing Board of Commissioners of the Housing Authority of the County of San Mateo, conduct a public hearing to consider adopting Resolution 2013-02 approving the Housing Authority of the County of San Mateo FY2014 Moving to Work Annual Plan

- 1) Report and recommendation
- 2) Close hearing
- 3) Adopt resolution

**Noes: None**

**Speakers recognized by the President:**

Jim Porter, Public Works  
Supervisor Don Horsley, Board of Supervisors  
Ann Stillman, Public Works  
Supervisor Carole Groom, Board of Supervisors  
Patricia O'Neal, CSA 7 Customer Advisory Committee  
Heather McAvoy, CSA 7 Customer Advisory Committee  
Lynnette Vega, La Honda  
Terry Adams, CSA 7 Customer Advisory Committee

5. 9:15 a.m.

Acting as the Governing Board of Commissioners of the Housing Authority of the County of San Mateo, conduct a public hearing to consider adopting Resolution 2013-02 (072417) approving the Housing Authority of the County of San Mateo FY2014 Moving to Work Annual Plan

1) Report and recommendation

2) Close hearing

**Motion: Groom / Second: Pine**

3) Adopt resolution

**Motion: Groom / Second: Pine**

**Ayes: Supervisors Pine, Groom, Horsley, Slocum and Tissier**

**Noes: None**

**Speakers recognized by the President:**

William Lowell, Department of Housing

**REGULAR AGENDA**

**PROBATION**

6. Director's Report

**Speakers recognized by the President:**

Cal Remington, Interim Chief of Probation  
Supervisor Carole Groom, Board of Supervisors  
Supervisor Dave Pine, Board of Supervisors  
John L. Maltbie, County Manager  
Supervisor Adrienne Tissier, Board of Supervisors  
Jim Saco, County Manager's Office  
Supervisor Don Horsley, Board of Supervisors

**SHERIFF'S OFFICE**

**Appendix Three**

**Board Resolution adopting MTW Annual Plan for FY2014**

**and**

**HACSM's Certification of Compliance**

**RESOLUTION NO. 2013-02 / 072417**

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

\* \* \* \* \*

**RESOLUTION 2013-02 APPROVING THE HOUSING AUTHORITY OF THE  
COUNTY OF SAN MATEO FY2014 MOVING TO WORK ANNUAL PLAN**

---

**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, acting as the governing Board of Commissioners of the Housing Authority of the County of San Mateo (HACSM) that

**WHEREAS**, Moving to Work (MTW) is a demonstration program that offers participating housing authorities the opportunity to design and test innovative, locally designed housing and self-sufficiency strategies for low-income families by allowing exemptions from certain housing regulations; and

**WHEREAS**, on April 8, 2008, the Board approved HACSM's 10-year MTW Amended and Restated Agreement with the U.S. Department of Housing and Urban Development (HUD) authorizing its participation in the program; and

**WHEREAS**, since its participation in the MTW program, HACSM has implemented activities to increase administrative efficiencies, encourage self-sufficiency, and increase housing choice; and

**WHEREAS**, the FY2014 MTW Annual Plan covers the period of July 1, 2013 through June 30, 2014 and the MTW Annual Plan was completed in accordance with all HUD regulations and requirements including that all documents are made available to

the public for review and comment for a prescribed period of time prior to adoption by the governing board; and

**WHEREAS**, HACSM is proposing three new activities in the MTW Annual Plan. Two of the activities, “Modify EIV Income Report Review Schedule” and “Revise Child Care Expense Deduction”, are designed primarily to increase administrative efficiencies in program operations. The third activity, “Expand MTW Self-Sufficiency Program”, is substantial and is focused on HACSM’s long term goal of utilizing its limited voucher resources more effectively by increasing the amount of Section 8 vouchers that have a five-year time limit from 300 to 800 vouchers. At the same time, HACSM will expand its case management requirements and self-sufficiency service offerings for clients with time-limited vouchers; and

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

**NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board of Commissioners of the Housing Authority approve said FY2014 Moving To Work Annual Plan; and authorize the Executive Director of the Housing Authority to execute any documents required by the U.S. Department of Housing and Urban Development to certify the Moving To Work Annual Plan.

\* \* \* \* \*

Regularly passed and adopted this 26<sup>th</sup> day of March 2013.

*AYES and in favor of said resolution:*

*Supervisors:*

DAVE PINE

CAROLE GROOM

DON HORSLEY

WARREN SLOCUM

ADRIENNE J. TISSIER

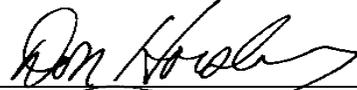
*NOES and against said resolution:*

*Supervisors:*

NONE

*Absent Supervisors:*

NONE



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

***Certificate of Delivery***

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



Rebecca Romero, Deputy  
Clerk of the Board of Supervisors

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

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

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

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning July 1, 2013, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA and conducted a public hearing to discuss the Plan and invited public comment.
2. The Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;
3. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
4. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
7. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.

Housing Authority of the County of San Mateo – MTW Annual Plan FY2014

8. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
9. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105( a).
12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
13. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).
17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
18. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

Housing Authority of the County of San Mateo  
PHA Name

CA014  
PHA Number/HA Code

Housing Authority of the County of San Mateo - MTW Annual Plan FY2014

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

William Lowell  
Name of Authorized Official

Executive Director  
Title

  
Signature

6/10/2013  
Date

**Appendix Four**

**HACSM Hardship Policy for MTW Initiatives**

## HACSM HARDSHIP POLICY

### For MTW Initiatives

The HACSM Hardship Policy is designed to address:

#### A. Rent reform initiatives

- *Tiered Subsidy Table Activity*
- *Payment Standard Activity*
- *Full Time Student Activity*
- *Foster Care, KinGap, and Adoption Assistance Activity*
- *Earned Income Disallowance*

#### B. Time limited assistance

- *Extension of Program Participation*
- *Portability (Moving out of San Mateo County)*

All hardship requests must be made in writing, stating both the reason for the hardship and the expected duration.

Each request will be reviewed and weighed against other local resources available to the family. The result of the review may consist in referral to other local resources, an adjustment in the portion of the family's rent, or an extension in the length of subsidy assistance given.

## A. Rent Reform

- **Tiered Subsidy Table**

In order to qualify for hardship exemptions, households must meet all of the criteria listed below:

1. The household is in compliance with all the program rules and regulations.
2. The household does not owe HACSM any money or is current with a re-payment agreement.
3. The household must be admitted to the program prior to March 1, 2010, unless the household is a resident of HACSM public housing, converting to the Project-Based Voucher (PBV) program and remaining in-place at the complex.
4. The household has not relocated on or after March 1, 2010.
5. The household must experience an increase of \$25.00 or more in rent as a direct result of the MTW rent reform initiatives.
6. The household requested the hardship waiver within the deadline set by HACSM. Households have 10 business days from the date of their "Notice of Change" letter in which to request an Informal Hearing and/or Hardship Review.
7. The household has not received a rent reform hardship relief for tiered subsidy calculation previously.

- **Payment Standards Application at Interim**

*Note: This Hardship policy does not apply to Payment Standard Changes at Annual or Biennial Recertifications*

In order to qualify for hardship exemptions, households must meet all of the criteria listed below:

1. The household is in compliance with all the program rules and regulations.
2. The household does not owe HACSM any money or is current with a re-payment agreement.
3. The household must be admitted to the program prior to July 1, 2010.
4. The household has not relocated on or after July 1, 2010.
5. The household must experience an increase of \$25.00 or more in rent as a direct result of the MTW rent reform initiatives.
6. The household requested the hardship waiver within the deadline set by HACSM. Households have 10 business days from the date of their "Notice of Change" letter in which to request an Informal Hearing and/or Hardship Review.
7. The household has not received a rent reform hardship relief for the Payment Standards application at interim recertification previously.

- **Full Time Students (FTS)**

In order to qualify for hardship exemptions, households must meet all of the criteria listed below:

1. The household is in compliance with all the program rules and regulations.
2. The household does not owe HACSM any money or is current with a re-payment agreement.
3. The household must be admitted to and have a household member with FTS in their household prior to July 1, 2011.
4. The FTS status must be established at the last annual or interim recertification prior to July 1, 2011.
5. The household must experience an increase of \$25.00 or more in rent as a direct result of the MTW rent reform initiatives.
6. The household requested the hardship waiver within the deadline set by HACSM. Households have 10 business days from the date of their "Notice of Change" letter in which to request an Informal Hearing and/or Hardship Review.
7. The household has not received a rent reform hardship relief for full time student's income inclusion previously.

- **Foster Care, KinGap and Adoption Assistance**

In order to qualify for hardship exemptions, households must meet all of the criteria listed below:

1. The household is in compliance with all the program rules and regulations.
2. The household does not owe HACSM any money or is current with a re-payment agreement.
3. The household must be admitted to the program and have the foster child/adult in their household prior to July 1, 2011.
4. The Foster Child/Adult status of the household member must be established at the last annual or interim recertification prior to July 1, 2011.
5. The household must experience an increase of \$25.00 or more in rent as a direct result of the MTW rent reform initiatives.
6. The household requested the hardship waiver within the deadline set by HACSM. Households have 10 business days from the date of their "Notice of Change" letter in which to request an Informal Hearing and/or Hardship Review.
7. The household has not received a rent reform hardship relief for Foster Care, KinGap, or Adoption Assistance income inclusion previously.

- **Earned Income Disallowance**

In order to qualify for hardship exemptions, households must meet all of the criteria listed below:

1. The household is in compliance with all the program rules and regulations.
2. The household does not owe HACSM any money or is current with a re-payment agreement.
3. The household must be admitted to the program and received the benefits of Earned Income Disallowance in rent calculation prior to July 1, 2012.
4. The Earned Income Disallowance status of the household member must be established at the last annual or interim recertification prior to July 1, 2012.
5. The household must experience an increase of \$25.00 or more in rent as a direct result of the MTW rent reform initiatives.
6. The household requested the hardship waiver within the deadline set by HACSM. Households have 10 business days from the date of their "Notice of Change" letter in which to request an Informal Hearing and/or Hardship Review.
7. The household has not received a rent reform hardship relief for Earned Income Disallowance previously.

- **Child Care Expense Deduction**

In order to qualify for hardship exemptions, households must meet all of the criteria listed below:

1. The household is in compliance with all program rules and regulations.
2. The household does not owe HACSM any money or is current with a repayment agreement.
3. The household must be admitted to the program and received the benefits of the Child Care Expense Deduction in rent calculation prior to July 1, 2013.
4. The Child Care Expense Deduction status of the household member must be established at the last annual or interim recertification prior to July 1, 2013.
5. The household must experience an increase of \$25.00 or more in rent as a direct result of the MTW rent reform initiatives.
6. The household requested the hardship waiver within the deadline set by HACSM. Households have 10 business days from the date of their "Notice of Change" letter in which to request an Informal Hearing and/or Hardship Review.
7. The household has not previously received a rent reform hardship relief for the Child Care Expense Deduction.

## Approval Process for all Rent Reform Initiatives

- Households who meet the criteria listed above may mail, fax, or e-mail their request to HACSM.
- Housing Programs Specialist will review the request promptly, using the HACSM provided tool, calculate the tenant rent and forward the result and the tenant file to the supervisor.
- Supervisor approves the new rent if there are no other issues. If there are other issues, the supervisor will conduct further review and consult with Housing Rental Programs Manager.

## Hardship Relief for all Rent Reform Initiatives

Households who qualify and receive waiver approval may pay their portion of rent based on the calculation under HUD regulations until their next recertification or relocation. At the next annual recertification, biennial recertification, or relocation, whichever comes first, the household will automatically be subject to the rent reform initiatives.

Note: Each household is only eligible for one term of relief for each rent reform initiative and if the household qualifies for more than one relief at any given recertification (annual or interim), the reliefs will be calculated concurrently.

### B. Time Limited Assistance

#### *Extension of program participation*

- **Basic Requirements**
  1. The household is in compliance with all program rules and regulations.
  2. The household does not owe the HACSM any money or is current with a repayment agreement.
- **Qualification**
  1. The Head of Household and all the adult (18 and over) household members are 62 years of age or older and/or people with disabilities. (The HUD definition of disability shall apply)
  2. The Head of Household is the sole adult member who is responsible to care for a minor (under 18) household member who is a person with disability. (The HUD definition of disability shall apply).
  3. The household is actively engaging in educational or vocational activities per the initial or subsequent revised service plan. The activities on a revised service plan must be approved by HACSM or the case manager at least 12 months prior to the program exit date.

- **Approval Process for Extension of Program Participation**

1. All applications will be reviewed for completeness.
2. Households who meet qualification number 3 above must list on the Hardship Application the following: 1) educational or vocational activities that the household is currently engaging in; 2) the name of the school/institution/agency that provides the service; 3) the expected completion date, and 4) a brief statement on how the extension of assistance would benefit the household in achieving its self-sufficiency goal.
3. The Family Self-Sufficiency Coordinator will review the request promptly and forward the file to the supervisor with his/her recommendation.
4. The Supervisor approves the extension if there are no other issues.

- **Hardship Relief for Extension of Program Participation**

1. For households who meet qualification number 1 and 2, the length of assistance may be extended for an additional 12 months. Any subsequent renewals on the extension will require a new request from the household and will be subject to the HACSM hardship policy in effect at that time.
2. For households who meet qualification number 3, the length of assistance may be extended for a maximum of 12 months, and is subject to compliance to case management services and acceptable verification of educational or vocational activities listed in the hardship application.
3. Decisions reached by HACSM will be final.

### ***Portability (Moving out of San Mateo County)***

- **Basic Requirements**

1. The household is in compliance with all program rules and regulations.
2. The household does not owe the HACSM any money or is current with a repayment agreement.

- **Qualifications**

1. The Head of Household and all the adult (18 and over) household members are 62 years of age or older and/or people with disabilities. (The HUD definition of disability shall apply).
2. The Head of Household is the sole adult member who is responsible to care for a minor (under 18) household member who is a person with disability. (The HUD definition of disability shall apply).
3. The Head of Household, Co-head, or Spouse has secured full-time employment of at least 32 hours/week and said employer's, or job location, is greater than 35 miles beyond the San Mateo County border.

4. The Head of Household, Co-head, or Spouse are full-time students at an accredited educational institution that is located more than 35 miles beyond the San Mateo County border.
5. The receiving Housing Authority is absorbing the household.

*Note: Per the Housing Authority's Administrative Plan, applicants who do not have county preference at the time of eligibility determination are required to initially lease in San Mateo County for a period of no less than 12 months.*

- **Approval Process for Portability (Moving out of San Mateo County)**

1. All applications will be reviewed for completeness.
2. Households who meet qualification number 3 must provide proof of the following:
  - Employment. Written verification must include the employer's name, the position title, the number of hours to be worked per week and the rate of pay.
  - The physical address of the employer and the address of the job location.
  - Written verification from the receiving Housing Authority that they agree and acknowledge that HACSM's MTW voucher is for a term of five (5) years and that HACSM will not make any payments beyond the fifth year.
3. Households who meet qualification number 4 must provide proof of the following:
  - Enrollment and attendance record at an accredited institution.
  - The location of the accredited institution's street address.
  - Written verification from the receiving Housing Authority that they agree and acknowledge that HACSM's MTW voucher is for a term of five (5) years and that HACSM will not make any payments beyond the fifth year.
4. The Family Self-Sufficiency Coordinator will review the request promptly and forward the file to the supervisor with his/her recommendation.
5. The Supervisor approves the hardship request if there are no other issues.

*\* Note: The five-year term of assistance begins upon initial lease up, thus if a household is approved for portability after the initial 12 months or greater, they may only be eligible for assistance for the remaining voucher term, not an additional five years..*

- **Hardship Relief for Portability (Moving Out of San Mateo County)**

1. For households who meet qualification numbers 1 or 2, the Housing Authority will approve the household's request for portability.
2. For households who meet qualification numbers 3 or 4, the Housing Authority will approve the household's request for portability, with the length of assistance to be no more than a maximum term of five (5) years, less any term of participation already completed.
3. For households who meet qualification number 5, the Housing Authority will approve the household's request for portability.
4. Decisions reached by HACSM will be final.