



Housing Authority of the County of San Mateo

Moving to Work (MTW) Annual Report

**FYE 2012
(July 1, 2011 – June 30, 2012)**

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Introduction

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Overview of the Agency's ongoing MTW goals and objectives

The Moving to Work (MTW) Demonstration Program, created by Congress in 1996, establishes three overarching goals for all participating Housing Authorities:

1. Design and test various approaches for providing and administering housing assistance that reduce costs and achieve greater cost effectiveness in Federal expenditures
2. Design and implement new ways to increase participating families self-sufficiency
3. Increase the housing choices for low-income families

In May 2000, the Department of Housing and Urban Development (HUD) signed an agreement with the Housing Authority of the County of San Mateo (HACSM) granting its request for MTW Demonstration Program status. At that time, a total of 300 vouchers were designated as MTW vouchers with certain self-sufficiency features and time-limited assistance requirements built into the program design. HACSM's original MTW self-sufficiency program has continued to be refined to more accurately meet the needs of the participants. In April 2008, HACSM signed the new MTW Standard Agreement, extending HACSM's MTW contract to the year 2018, while expanding its MTW authority from the original 300 voucher self-sufficiency program to one covering the entire Housing Choice Voucher (HCV) and Public Housing Programs.

This MTW Report showcases the ongoing results of HACSM's expanded Moving to Work program. The ability to make programmatic choices based on local circumstances has allowed HACSM to transform the affordable housing programs for San Mateo County residents. For example,

- In January 2009, HACSM began implementation of its Housing Readiness Program. Partnering with the San Mateo County Center on Homelessness and other homeless service providers, HACSM developed a pilot program to serve up to 60 homeless individuals and families with three years of rental subsidy while they also receive supportive services. This program, which has been increased to 100 vouchers, responds to critical needs identified in San Mateo County's HOPE Plan, a comprehensive 10-year plan to end homelessness, and follows the "housing first" strategy.
- In March 2010, HACSM implemented an extensive HCV rent reform initiative, the Tiered Subsidy Table, which greatly simplifies subsidy calculations while informing families of the actual maximum dollar amount that the Housing Authority will contribute to their housing costs *at the time* they receive their voucher. With this knowledge, participants have been able to find and secure units much more quickly and make clear decisions as to their housing costs.
- To increase administrative efficiencies, HACSM instituted several key MTW activities that reduce or eliminate overly bureaucratic and costly processes. One of these activities is HACSM's ability to accept tenant provided documents, such as paystubs and medical receipts that were clearly generated by the respective party instead of faxing and/or mailing third party verification forms to each provider. Other activities include: implementation of biennial inspections, implementation of biennial recertifications for elderly/disabled households, elimination of the Earned Income Disallowance (EID), elimination of excluded income sources from the families adjusted income calculation, and elimination of asset income for assets valued less than \$50,000.
- In November 2011, HACSM implemented its Provider-Based Assistance (PBA) Program. Utilizing its "Local Non-Traditional Use of Funds" authorization, the agency has designed a new program to serve members of our local community who are either not served, or are underserved, by the voucher programs or other grant programs due to their unique circumstances. The PBA program enables local service providers to provide

time-limited rental assistance, in connection with supportive services, to individuals in special needs populations.

The first PBA contract was awarded to CORA (Community Overcoming Relationship Abuse), creating a new way of meeting the housing needs of survivors of domestic violence. The subsidy under this award will provide up to three years of rental assistance for 15 households. The second PBA contract was awarded to The Service League of San Mateo County and is targeted to low-level male and female offenders who have been recently released from incarceration. The subsidy under this award will provide approximately 18 months rental assistance to 16 households.

Both of these programs are designed to provide a short-term bridge to households in crisis by providing them with housing and supportive services to get back on their feet. The program was designed in partnership with the supportive service providers, who have the intimate knowledge and skills to address the specific needs of their clients and further supports each client's successful graduation from the program.

Because the program is time-limited, more families in need in San Mateo County have the possibility of receiving the assistance over time.

- In January 2012, HACSM converted its case management and financial reporting software system. Most of the conversion and data clean-up occurred during the months prior to January 2012; however, some discrepancies continued to be resolved during the first 30 to 60 days after the January 'go-live' date. As a result, much of the reporting period was devoted to the software conversion.

As a result of the conversion to the new software, HACSM is finding that many elements of reporting specific to MTW are difficult to obtain. Most of the standard software reports are not relevant to MTW and require customization. We continue to work on customizing the system to retrieve the required data.

The mission of HACSM is to:

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

The flexibilities of the MTW program have allowed HACSM to better meet this mission through program re-design and innovation.

As evidenced in this report, HACSM is committed to increasing the housing choices for families, further developing administrative efficiencies, and promoting the self-sufficiency of the program participants.

HACSM continues to research and review industry best practices, as well as initiatives implemented by other MTW agencies across the nation, to further support the housing needs of the families of San Mateo County.

SECTION II – General Housing Authority Operating Information

A. Housing Stock Information

1. Number of public housing units at the end of the Plan year (discuss any changes over 10%):

Development	Type	Number of Units
El Camino Village	Family	30

2. Description of any significant capital expenditures by development (>30% of the HACSM’s total budgeted capital expenditures for the fiscal year):

HACSM completed general site improvements at El Camino Village, Development #CA000004. For many years, erosion issues have occurred at the back of the property; HACSM built a retaining wall and added a sport court and barbeque area for the residents’ use and enjoyment. The cost of the project was approximately \$240,000.

3. Description of any new public housing units added during the year by development (specifying bedroom size, type, accessible features, if applicable);

HACSM did not add new public housing units during the year.

4. Number of Public Housing units removed from the inventory during the year by development specifying the justification for the removal:

HACSM did not remove Public Housing units from the inventory during the year.

5. Number of MTW HCV authorized at the end of the Plan year, discuss any changes over 10%:

HACSM has 4172 MTW HCV authorized units.

Program Type	Beginning FY 2012	Changes	Ending FY 2012
Housing Choice Vouchers	4172	0	4172

6. Number of non-MTW HCV authorized at the end of the Plan year, discuss any changes over 10%;

Program Type	Beginning FY 2012	Changes	Ending FY 2012
Moderate Rehabilitation	130	0	130
Family Unification	40	0	40
VASH	75	0	75

7. Number of HCV units project-based during the Plan year, including description of each separate project:

Of the 4172 Housing Choice Vouchers (Section 8), 611 are project-based. HACSM plans to increase the number of project-based vouchers from its allocated funding in the future. In FY2010 HACSM completed the selection process for one new project-based project consisting of 47 units. HACSM entered into an AHAP in February 2011. Construction of this project will be completed in August 2012. HACSM estimates full lease-up by October 2012.

In March 2011, HACSM completed a 2nd RFP process and selected two developments; both are new construction projects, 2000 S. Delaware in San Mateo and Coastside Senior Housing in Half Moon Bay. In March 2012, HACSM entered into an AHAP with MidPen Housing for 30 units at 2000 S. Delaware, San Mateo. Construction at 2000 S Delaware has begun. Occupancy is expected in late 2013. The 39-unit Coastside Senior Housing is undergoing Subsidy Layering Review at this time.

Additionally, in February 2012, based on a competitive selection process to develop and operate 160 units of affordable senior housing that will replace the existing Half Moon Village, HACSM approved 44 Project Based units for Phase I of the development. HACSM intends to give waiting list preference to the existing Half Moon Bay residents who require relocation due to the redevelopment of the Village. Phase I of the project will undergo Subsidy Layering Review in Fall 2012.

Midway Village, previously a public housing development, was transitioned to Project-Based Voucher assistance on May 1, 2011. The 150 project-based units at Midway Village are included in the number stated above.

Listed below are HACSM's current project-based properties under HAP or AHAP:

Property Name	City	Total Units
2000 S Delaware	San Mateo	30
636 El Camino	South San Francisco	47
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

8. Overview of other housing managed by the Agency, e.g. tax credit, state-funded, market rate.

Program	Unit Authorized
Shelter Plus Care (non-MTW)	157
Supportive Housing (non-MTW)	34

B. Leasing Information - Actual

1. Total number of MTW PH units leased in Plan year: 30
2. Total number of non-MTW PH units leased in Plan year: N/A
3. Total number of MTW HCV units leased in Plan year: 4172
4. Total number of non-MTW HCV units leased in Plan year: 218 (This includes the actual lease up for the VASH, Mod Rehab and Family Unification programs.)

Program Type	Unit Authorized	Unit Leased FY 2012
Moderate Rehabilitation	130	126
Family Unification	40	36
VASH	75	56

5. Description of any issues related to leasing of PH or HCVs:

Moderate Rehabilitation: There are no issues related to leasing the Moderate Rehabilitation units. The 3% vacancy rate was due to normal turnovers.

Family Unification: There have been program completions for foster youths for whom the subsidy is limited to 18 months. HACSM is working closely with the San Mateo County Families and Children Services to utilize all available vouchers.

VASH: Referrals from the VAMC have been insufficient. In order to account for attrition and leasing success rates, HACSM must receive a large number of referrals, a number that may exceed the number of available vouchers. VAMC has not agreed to this concept and will not adopt the practice of over issuance of vouchers. VAMC limits its referral numbers based on its caseload standard for VA case managers, which includes veterans that are at the beginning stage of the referral process.

6. Number of project-based vouchers committed or in use at the end of the Plan year, describe project where any new vouchers are placed (include only vouchers where Agency has issued a letter of commitment in the plan year.)

Of the 4172 Housing Choice Vouchers (MTW), 534 are in use for the above referenced Project-Based developments. Of the 534, 150 are new and are placed with Midway Village, a previous public housing development in Daly City, California.

In addition, 77 vouchers are under AHAP or HAP for two new construction projects: 47 units in South San Francisco and 30 units in San Mateo, California.

As part of the larger Half Moon Village redevelopment, HACSM has issued a letter of commitment for 39 vouchers for a new senior project in Half Moon Bay.

C. Waiting List Information

1. Number and characteristics of households on the waiting lists (all housing types) at the end of the plan year

Public Housing		
Waiting list total	1188	
Approximate Annual turnover	4	
	# of families	% of total families ¹
Elderly families	5	0.4%
Disabled families	282	23.6%
White	291	24.5%
Black/African American	354	29.8%
American Indian/Alaska native	13	1.1%
Asian	182	15.3%
Native Hawaiian/Other Pacific Islander	85	7.2%
Other	218	18.4%
Hispanic or Latino	350	29.5%
Non Hispanic or Latino ²	838	70.5%

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

² Includes non-Hispanic and unknown

Section 8 - Housing Choice Voucher		
Waiting list total	921	
Approximate Annual turnover	288	
	# of families	% of total families ¹
Elderly families	50	5.4%
Disabled families	194	21.1%
White	176	19.1%
Black/African American	614	66.7%
American Indian/Alaska native	38	4.1%
Asian	43	4.7%
Native Hawaiian/Other Pacific Islander	33	3.6%
Other	14	1.5%
Hispanic or Latino	122	13.2%
Non Hispanic or Latino ²	799	86.8%

¹ The total percentage is more than 100% because some families chose more than one race

² Includes non-Hispanic and unknown

Section 8 - Project-Based		
Waiting list total	4478	
Approximate Annual turnover	24	
	# of families	% of total families ¹
Elderly families	1254	28%
Disabled families	1124	25.1%
White	2252	50.29%
Black/African American	1175	26.24%
American Indian/Alaska native	114	2.55%
Asian	868	19.38%
Native Hawaiian/Other Pacific Islander	247	5.52%
Other	97	2.17%
Hispanic or Latino	1306	29.16%
Non Hispanic or Latino	3172	70.84%

¹ The total percentage is more than 100% because some families chose more than one race

² Includes non-Hispanic and unknown

Moderate Rehabilitation		
Waiting list total	1465	
Approximate Annual turnover	6	
	# of families	% of total families ¹
Elderly families	11	0.8%
Disabled families	368	25.1%
White	476	32.5%
Black/African American	493	33.7%
American Indian/Alaska native	19	1.3%
Asian	148	10.1%
Native Hawaiian/Other Pacific Islander	81	5.5%
Other	190	13.0%
Hispanic or Latino	398	27.2%
Non Hispanic or Latino ²	1067	72.9%

¹ The total percentage is more than 100% because some families chose more than one race

² Includes non-Hispanic and unknown

2. Description of waiting lists (site-based, community-wide, HCV, merged) and any changes that were made in the past fiscal year.

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 public housing units are fully occupied at this time, only turnover units will need leasing activity.

Section 8 Housing Choice Voucher

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

In 2009, HACSM applied for and was awarded 40 Family Unification Program (FUP) vouchers and as of June 30, 2012, 36 families were leased up. HACSM will give preference to FUP-eligible families and FUP-eligible youths. If HACSM is unable to issue the number of FUP vouchers awarded or FUP funding provided by HUD from its current HCV waiting list, HACSM will reopen the waiting list to accept a FUP applicant family or youth who is not currently on the HACSM HCV waiting list.

In June 2010, HACSM received funding for 25 Veterans Affairs Supportive Housing (VASH) vouchers in partnership with San Francisco Veterans Administration Medical Center, San Bruno Clinic. In July 2011, HACSM received funding for 50 additional VASH vouchers. As of June 30, 2012, 56 families were leased up. HACSM does not maintain a VASH waiting list because only veterans referred by San Francisco VAMC/San Bruno Clinic are accepted into the program.

Project-Based

HACSM has a combined waiting list for all its Project-Based properties. Applicants indicate which properties they are interested in. Since all Project-Based units are fully occupied at this time, only turnover units require leasing activity. Because of the low turnover rate and high number of families on the waiting list, the Project-Based waiting list will remain closed in FY2013.

Moderate Rehabilitation

HACSM's Moderate Rehabilitation Program waiting list is currently closed. Because of the low turnover rate and high number of families on the waiting list, the Mod Rehab waiting list will remain closed in FY2013.

Note: Applicants for the Shelter Plus Care, Supportive Housing Program, and Housing Readiness Program (a 2008-2009 MTW initiative within the HCV program) are referred to HACSM by homeless service providers and other community partners. HACSM does not keep waiting lists for the Shelter Plus Care, Supportive Housing Program or the Housing Readiness Program.

SECTION III– Non-MTW Related Housing Authority Information

(Optional)

For information on HACSM's Non-MTW Related activities, please see HACSM's FY2012 MTW Annual Plan, HUD approved and posted at www.smchousing.org.

SECTION IV– Long-Term MTW Plan

(Optional)

For information on HACSM's Long-Term MTW Plan, please see HACSM's FY2012 and FY2013 MTW Annual Plans, HUD approved and posted at www.smchousing.org.

SECTION V - Proposed MTW Activities

HACSM has no proposed activities, approved by HUD prior to July 1, 2013, that have not been implemented.

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

Executive Summary of HACSM's MTW activities, since program inception May 2000.

On-Going Activities	Date Identified	Date Implemented
Activity #2000.1 MTW/FSS Program (in coordination with community self-sufficiency partners)	5/1997	5/1/2000
Activity #2009.2 Housing Readiness Program (in coordination with community supportive services providers)	4/15/2008	7/1/2008
Activity #2000.3 Elimination of 40% affordability cap at initial move in/lease up	5/1997	5/1/2000
Activity #2000.4 Escrow Accounts	5/1997	5/1/2000
Activity #2009.5 Expand usage of project-based vouchers at HACSM developments undergoing disposition process	4/15/2008	1/1/2011 for Midway Village *El Camino Village – HACSM may resubmit Demo/Dispo application
Activity #2010.6 Biennial re-certification schedule for elderly/disabled households	4/15/2009	7/1/2009
Activity #2010.7 Simplify Rent Calculation Process	4/15/2009	7/1/2009
Activity #2010.8 Simplify Third-Party Verification Process	4/15/2009	7/1/2009
Activity #2010.9 Tiered Subsidy Table (TST)	4/15/2009	1/1/2010
Activity #2010.10 Simplify HQS Processes	4/15/2008	7/1/2009
Activity #2010.11 Eliminate competitive process for allocation of Project-Based vouchers to former public housing units	10/6/2009	1/27/2011
Activity #2010.12 Waive 12 month stay requirement for residents in formerly public housing units converted to project-based units	10/6/2009	5/1/2011

On-Going Activities	Date Identified	Date Implemented
Activity #2010.13 Accept lower HAP for in-place Public Housing residents, at conversion to Project-Based Vouchers	10/6/2009	5/1/2011
Activity #2010.14 Establish flat or market rate policy for over income Public Housing residents at conversion of Public Housing units to Project-Based units	10/6/2009	5/1/2011
Activity #2011.15 Institute biennial inspection schedule for units under contract	4/15/2010	7/1/2010
Activity #2011.16 Expand the Section 8 Project Based Voucher Program	4/15/2010	5/23/2011
Activity #2011.17 Revise Eligibility Standards	4/15/2010	7/1/2010
Activity #2011.18 Eliminate 100% excluded income from the income calculation process	4/15/2010	7/1/2010
Activity #2011.19 Eliminate the requirement to complete new HAP contract with utility responsibility changes	4/15/2010	7/1/2010
Activity #2011.20 Apply current payment standards at interim reexamination	4/15/2010	7/1/2010
Activity #2012.21 Change qualifications for "Full-Time Student" status	4/15/2011	7/1/2011
Activity #2012.22 Include Foster Care, KinGap, and Adoption Assistance Payments in annual income calculation	4/15/2011	7/1/2011
Activity #2012.23 Modify head of household (HOH) changes policies	04/15/2011	7/1/2011

On-Going Activities	Date Identified	Date Implemented
Activity #2012.24 Change automatic termination of HAP contract from 180 to 90 days	4/15/2011	7/1/2011
Activity #2012.25 Exclude asset income from calculations for households with assets under \$50,000	4/15/2011	7/1/2011
Activity #2012.26 Commitment of MTW Funds for leveraging in creation of additional affordable housing in San Mateo County	4/15/2011	10/26/2011
Activity #2011.27 Provider Based Programs	4/15/2011	11/15/2011

On-Going MTW Activity #2000.1: MTW/FSS Program (time-limited assistance in coordination with community self-sufficiency partners)

A. Activity Description

HACSM's MTW 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 accepts new admissions through a referral process. The referring agency may be a county welfare or social service department, drug treatment facility, and/or homeless shelter. In addition to referring eligible families for admission to the MTW program, these same referring agencies have signed agreements with HACSM to provide appropriate case management services to the family throughout the term of their subsidized housing assistance.

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. See Appendix One for more information on HACSM's hardship policy.

B. The impact of the activity

The MTW Self-Sufficiency program incorporates a network of local service providers to assist program participants to achieve economic self-sufficiency. 240 families have entered the program since HACSM began its second round of outreach in late 2007. While a majority of the program participants are still within their six-year contract term, during this reporting period 16 exited the program early due to a variety of reasons (e.g. moved out of the County, moved to home ownership, changes in family circumstances). Of the 16 families that exited the program during the reporting period, six (6) families exited with earned income while seven (7) families had increase in their overall income.

Baseline (established FY2009)	Benchmark	Metric	FY2012 Outcome
131 (58%) out of 227 families entered the program in FY 2009 received welfare assistance	Decrease in the number of families with welfare assistance	Comparison of the number of families with welfare assistance each year of contract	87 (47%) of the 178 active families received welfare assistance as of June 30, 2012. 15 (17%) of these 87 families also received employment income.
129 (57%) out of 227 families entered the program had earned income	Increase in the number of families with earned income and/or income increases	Comparison of the number of families with employment income	123 (69%) of the 178 active families had earned income as of June 30, 2012.
Number of families requesting hardship	Reduction in the number of requests for	Change in the number of hardship review requests	There were no hardship review requests during the reporting period.

review	hardship review		
Number of families in job training programs	Increase in number of families enrolled and participating in job training programs		65 families are enrolled in or have completed job training programs.
Number of families participating in financial, employment and educational workshops	Increase in number of families successfully completing financial, employment and educational workshops		19 families completed financial, employment and educational workshop. This number will continue to be used as a future benchmark.

HACSM continues to effectively administer the time-limited MTW Self-Sufficiency program. Several factors account for the lower number of participants in the program during the reporting period:

- 1) 80 to 100 slots from the original 300 MTW vouchers are allocated to the Housing Readiness Program (see Ongoing Activity #2009.2);
- 2) Participant graduations are occurring at a faster rate than the slots to be filled. HACSM is working with its partner agencies to assist in better filling the slots as they become available.

Although the employment market in the Bay Area had begun to improve slightly during the reporting period, as of June 30, 2012, 19 families received unemployment benefits as their income. With assistance from local financial institutions, HACSM continues to offer families under the MTW and FSS programs financial workshops to assist in credit repair, budgeting, and first time homeownership preparation. These workshops are consistently well-attended and receive positive comments from the participants.

C. 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.

HACSM does not plan to change its strategy for this MTW activity in FY2013.

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

There have been no revisions to the benchmarks or metrics for this activity. HACSM will continue to monitor this activity in FY2013.

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

HACSM does not foresee any changes to the data collection methodology.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D to implement this MTW activity.

- G. Authorization for the approved activity

Authorizations for Time Limited Assistance

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

MTW authorization is necessary for this MTW activity because HUD regulations do not allow for the application of time limits in the HCV program.

Authorizations for Case Management

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

MTW authorization is necessary for this MTW activity because HUD regulations do not allow program participants to engage in self-sufficiency activities as part of the program requirement.

On-Going MTW Activity #2009.2: Housing Readiness Program (in coordination with community supportive service providers)

A. Activity Description

In July 2008, HACSM received HUD approval to implement the Housing Readiness Program.

The impetus for the program came through HACSM's partnerships with San Mateo County's Center on Homelessness and other providers of homeless services. The goal of these partnerships is to develop and implement a pilot housing program to serve up to 60 homeless individuals and families. Program participants have the ability to receive rental subsidy for up to three years while at the same time having continued access to various support programs. At the end of the three-year term, successful graduates may transfer to other affordable housing programs, managed by other community partners. This program responds to critical needs identified in San Mateo County's comprehensive 10-year plan to end homelessness and follows the "housing first" strategy. The program includes formal research components via the HUD Homeless Management Information Systems (HMIS).

The 60 vouchers for the Housing Readiness Program were a carve-out from the original 300 MTW voucher allocation. And, as is the case with the original MTW participants, Housing Readiness participants are not able to use their voucher for portability to another housing authority.

In the FY2012 MTW Plan, HACSM allocated 20 additional vouchers for the Housing Readiness Program bringing the total to 80 vouchers by FYE2012.

B. The impact of the activity

Since the inception of the program in early 2009, 86 homeless individuals and families have been assisted under the Housing Readiness program (HRP). These families came from a variety of places including shelters and institutions.

Calendar year 2012 marks the first year of program graduation. Of the 23 families that were termed out, six (6) were granted hardship exemptions and remained in the program. Housing after program graduation for the remaining families is as follows:

- Six (6) households relocated
- Five (5) households stayed in the same unit
- Three (3) households moved to shared housing
- Three (3) households moved to live with family

Baseline (established FY2009)	Benchmark	Metric	FY2012 Outcome
Number of families with defined goals with their supportive services providers	Increase in the number of families meeting their goals	Comparison of families defining and keeping self sufficiency goals	63 families have defined goals with their supportive services providers.
Length of time, on average, required to lease a unit	Decrease in the length of time, on average, needed to	Comparison of the average length of time needed to secure a unit	The average length of time needed to secure a unit during the reporting period was 54 days.

	rent a unit		In FY2012, the rental market became increasingly more difficult for families to find affordable units, resulting in a longer search time.
Family status/income at admission to the program	Increase in household income	Comparison of family income at admission and annual recertification	As of June 30, 2012, of the 62 active Housing Readiness families, 25 experienced an increase in their family income.
Number of HRP participants able to secure and retain housing	Decrease in evictions for HRP participants	Comparison of tenancy history before and after program entry	For the households remaining in the program, the average stay for HRP participants is 559 days. 34 households left the program. Four (4) were terminated from the program due to non-compliance; four (4) left voluntarily; one (1) passed away, and two (2) were on the Section 8 waiting list and received a HCV voucher.

HACSM and its community partners have been very pleased with this program to date, as it has fulfilled a very specific gap in services for San Mateo County families struggling with homelessness; however, HACSM also recognizes that some of its community partners continue to struggle with providing ongoing case management for the three year term of the program. As a result, especially after the first round of graduations, some of the participants are not at a point in which they can be determined to be self-sufficient. Many other factors may be involved in addition to the housing element, although the rental market in San Mateo County has skyrocketed during this reporting period, making it increasingly difficult for even moderate income families to afford housing in the county.

HACSM is monitoring this activity to see if the three year term of the program is sufficient, if the case management is sufficient, or if there is a combination of other factors that is making it more difficult for these families to achieve self-sufficiency. HACSM continues its conversation with the community partners to determine if adjustments to the program are needed.

- C. **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.**

HACSM does not plan to change its strategy for this MTW activity in FY2013.

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

There have been no revisions to the benchmarks or metrics for this activity. HACSM will continue to monitor this activity in FY2013.

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

HACSM does not foresee any changes to the data collection methodology.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D to implement this MTW activity.

- G. Authorization for the approved activity**

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

MTW authorization is necessary for this MTW activity because HUD regulations do not allow for the application of time limits in the HCV program.

On-Going MTW Activity #2000.3: Elimination of 40% affordability cap at initial move-in

A. Activity Description

The original MTW contract, executed in 2000, allowed HACSM to eliminate limits on the proportion of household income that could be spent on housing costs for its initial 300 time-limited MTW clients. In the FY2009 MTW Annual Plan, HACSM received HUD approval to expand this initiative to the entire HCV program.

This MTW activity is designed to support a family's ability to have greater housing choice, through having access to cities throughout San Mateo County. Prior to July 2009, many HCV applicants leasing up for the first time, and participants in the relocation process, were unable to secure housing outside high poverty areas due to the restrictive 40% affordability cap.

Although the hard affordability cap has been eliminated, HACSM continues to play a major role in negotiating rents on behalf of the participant when needed and has established safeguards to ensure the tenant portion of rent is affordable to the participant. Safeguards include, but are not limited to:

- Discussion of rent affordability with the participant before move-in
- Outreach to property owners to increase housing availability
- A calculation tool (see Appendix Two) that shows the tenant portion of rent in relation to his/her income with the additional of excluded income sources that might mitigate the higher rent burden.
- Required supervisory approval procedures on a case-by-case basis for instances where the tenant rent burden is over 50% of their monthly adjusted income.

B. Impact of the activity

Not having a fixed affordability cap provides for more housing choices for participants on a case by case basis. And, as before implementation, HACSM continues to assist in rent negotiations to ensure that the tenant rent is both reasonable and within an appropriate level for the household.

During FY2012, 84% of all MTW households paid less than 40% of their monthly adjusted income (MAI) towards their rent at initial move-in.

Baseline (established FY2009)	Benchmark	Metric	FY2012 Outcome
<p>Approximately 48 new move-ins were denied a unit based on the 40% affordability cap.</p> <p>HACSM received approximately 1079 Requests for Tenancy (RTA).</p> <p>Based on the above, approximately 4% of the RTA's were denied due to tenant affordability.</p>	<p>Reduce number of denials by 25% due to affordability</p>	<p>Comparison of the number of denials due to affordability before and after implementation.</p>	<p>In FY2012, there were 776 new move-ins.</p> <p>Of the 776 new move-ins, 128 families, or 16.5% of the new move-ins, elected to spend more than 40% of their MAI towards their rent portion.</p> <p>In FY2012, HACSM received 895 RTA's, of which 20 were denied due to affordability. This figure represents approximately 2% of all new or relocating households and continues to <i>exceed</i> HACSM's benchmark (proposed 25% reduction), as it represents a 50% reduction from the baseline.</p>

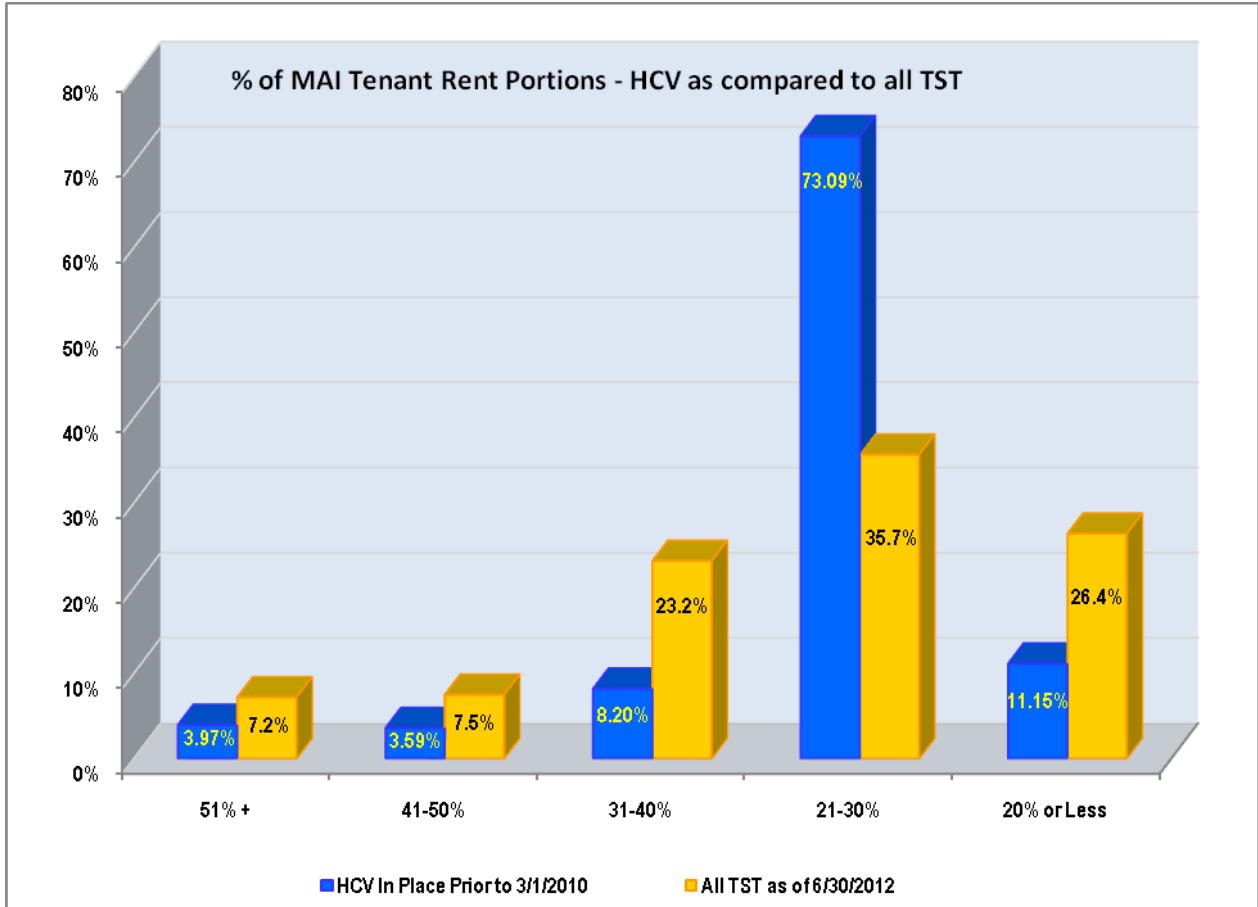
Percentage of households located within each city in San Mateo County.	5% increase in new move-ins to cities with lower poverty concentration	Comparison of localities (including those of low poverty), with HAP contracts before and after implementation	See Table 2 below
443 households are currently paying more than 40% of their annual adjusted income (AAI) towards their housing cost.	Minimal change to the percentage of participants paying more than 40% of their AAI towards their housing costs.	Comparison of the number of households paying more than 40% of their AAI towards their housing costs.	When combined with new move-in's and relocations, there are 542 households paying more than 40% of their MAI towards their rent. 542 households paying more than 40% represents approximately 13% of all voucher holders, a 2% increase from the baseline and a 1% increase from FY2011.
In FY2009, the average number of days from voucher issuance to lease up was 60 days	Decrease in the length of time to find and secure a unit	Comparison of the length of time required to secure a unit, before and after implementation	In FY2012, the minimum number of days from voucher issuance to lease up was 11 days, while the maximum was 103 days. The average number of days from voucher issuance to lease up was 62 days.

HACSM recognizes that the following factors continue to affect rental affordability in San Mateo: 1) the mixed family proration; 2) owners refusing to negotiate the Contract Rent (Rent to Owner); 3) rent reasonableness of the unit; 4) the Tenant Rent portion being greater than 50% of a family's Annual Adjusted Income, with no "excluded" income sources to ease the participants overall rent burden.

In addition, HACSM is noticing a rental trend today that's similar to the upswing in rents during the 'dot-com' era approximately ten years ago. The reigniting of the technology boom and jobs in that market are causing rents to become more difficult to negotiate with owners and more difficult to afford for the lower income families we serve, resulting in a slight increase in the average number of days from voucher issuance to lease up. While it certainly helps that families are no longer limited to the 40% affordability cap under the traditional HCV calculation, HACSM is also noticing a *slight* increase in the number of families paying more than 40% of their monthly adjusted income towards rent due to the higher rents in the area (see Table 1 below) and more families moving out of the county to areas that may be more affordable.

Taking into consideration all of the above, HACSM has seen this activity continue to be helpful in increasing participants housing choice and their ability to find and secure units in a timely manner. HACSM will continue to monitor this activity to ensure its effectiveness and determine if any adjustments need to be made in the future. Generally, this activity is reviewed in tandem with the Tiered Subsidy Table activity in that the amount of subsidy provided to families impacts the tenant portion of rent.

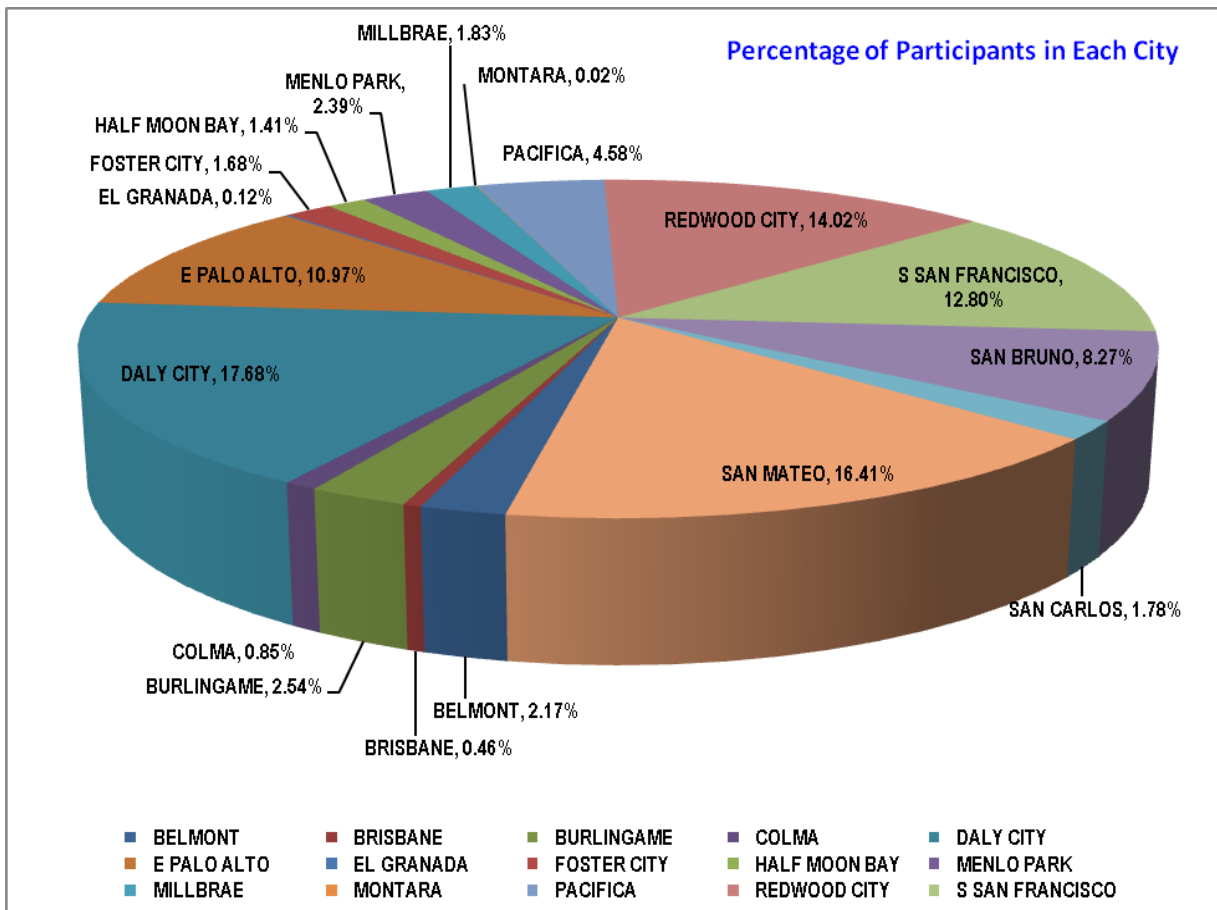
The table below represents the tenant rent portions for participants who were housed prior to March 1, 2010, and those housed under the program as of June 30, 2012.



(Table 1)

HACSM continues to monitor the cities in which participants are choosing to lease up. The majority of HACSM's participants continue to reside in Daly City, East Palo Alto, Redwood City, San Mateo, and South San Francisco, with some shifting within the five main cities. However, HACSM is also seeing a rise in other cities such as Belmont, Menlo Park and San Bruno, leading to the possibility that with this program, participants are exercising more personal responsibility and venturing beyond the main five cities.

Based on HACSM staff experience, in general and historically, landlords in East Palo Alto and Redwood City (both in the southern region of the county) have been more open to renting to program participants. And, while there remain many participants in South San Francisco and Daly City (both in the north region of the County), those percentages may shift due to their proximity to San Francisco and an overall increase in the rents being sought on the open market. San Mateo also continues to retain a high percentage of participants based on its central location within the County.



(Table 2)

- C. 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.

HACSM does not plan to change its strategy for this MTW activity in FY2013.

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

HACSM is not making any revisions to the benchmarks or metrics of this MTW activity.

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

HACSM does not foresee any changes to the data collection methodology.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D to implement this MTW activity.

G. Authorization for the approved activity

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

MTW authorization is required for this activity because HUD regulations require a 40% affordability test prior to approval of a rental unit at initial occupancy.

On-Going MTW Activity #2000.4: Simplify Family Self Sufficiency (FSS) Escrow Calculation

A. Activity Description

Effective July 1, 2009, 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 looks at several activities that support a family increasing self-sufficiency.

The calculation methodology is as follow:

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

As stated above, to support the full spectrum of self-sufficiency activities needed for a participant to become self-sufficient, HACSM has designed an escrow calculation method in which families may qualify for one, or more, of the escrow credits stated above. Escrow will be calculated and credited at the end of the FSS Contract term and only if the family provides credible and verifiable documentation showing they qualify for each the escrow credit type. The maximum escrow credit and pay out at graduation will be \$3,000.00 per family. Because escrows are calculated and credited at the end of the FSS Contract term, interim withdrawals were eliminated.

B. Impact of the activity

HACSM achieved cost effectiveness with this MTW activity by reducing the time spent in calculating escrow credit and servicing escrow accounts. At the same time, HACSM provided greater opportunities for families to receive escrow pay outs upon graduation.

Due to time saved from the new escrow calculation method, HACSM has been able to allocate additional time to the participants themselves – designing and facilitating workshops and activities to support their increasing self-sufficiency.

The number of traditional escrow accounts will continue to decrease as families who had cumulated escrow before this MTW initiative complete the program and receive the balance from their traditional account. Due to the new calculation method, escrow will only be calculated upon graduation, at which time the family will be eligible for up to \$3,000 based on their participation in self-sufficiency activities and increases in income and savings. Since the implementation of this initiative, HACSM has been keeping records of families' achievements and potential escrow pay outs.

HACSM has been successful in encouraging participating families to save. The number of families having assets over \$300 has increased tremendously. In all areas, HACSM is closely monitoring the FSS program and re-designing the self-sufficiency activities to more effectively meet the needs of the current participants.

Baseline (established FY2009)	Benchmark	Metric	FY2012 Outcome
Average time needed to calculate and post each FSS program participant's escrow savings is 10 minutes per file or approximately 60 hours per month	Decrease in the average time needed to calculate and post FSS program participant's escrow accounts by 50%	Comparison of time needed for calculation and posting before and after implementation for FSS participants	HACSM reduced the number of hours spent in escrow calculation and reporting to zero, a savings of approximately 60 hours per month or 100%.
Number of escrow accounts is 98	Increase in the number of escrow accounts by 10%	Comparison of number of escrow accounts before and after implementation for FSS participants	There were 189 escrow accounts as of 6/30/12. The above number includes escrow accounts that were established prior to this MTW initiative as well as accounts established after the initiative. Of the 263 FSS families, 189 (72%) have completed at least one self-sufficiency goal that will enable them to receive escrow funds at the end of their FSS participation.
Out of 384 families, 217 (57%) had earned income	Increase in the number of FSS families with earned income by 5%	Comparison of the number of FSS families with earned income before and after implementation	Out of 263 families, 165 (63%) had earned income or business income as of 6/30/2012.
Out of 384 families, 7 (2%) had savings of \$300 or more.	Increase in the number of FSS families with savings of \$300 or more by 20%	Comparison of the number of FSS families with savings of \$300 or more before and after implementation	There were 132 (50%) FSS families with savings of \$300 or more as of 6/30/2012.

- C. 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;

HACSM does not plan to change its strategy for this MTW activity in FY2013.

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

HACSM is not making any revisions to the benchmarks or metrics of this MTW activity.

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

HACSM does not foresee any changes to the data collection methodology.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D for this MTW activity.

- G. Authorization for the approved activity**

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

MTW authorization is required for this activity because HACSM's escrow calculation method deviates from HUD's regulations.

On-Going MTW Activity #2009.5: Expand usage of project-based vouchers at HACSM developments undergoing disposition process

A. Activity Description

In HACSM's FY2009 Supplemental MTW Annual Plan, HACSM received approval to project-base up to 100% of the replacement vouchers at public housing units undergoing the demo/dispo process. HACSM submitted two demo/dispo applications in June 2010. The application for Midway Village was approved by HUD in January 2011 and vouchers were issued to all eligible households in May 2011. All 150 units at Midway Village are now under a Project-Based HAP contract. The application for El Camino Village was not approved by HUD and HACSM may update it for resubmission in FY2013.

B. Impact of the activity

As of June 30, 2012, HACSM has achieved its benchmark for this activity at Midway Village. The activity has had two major positive impacts for Midway Village. First, residents at Midway Village received vouchers and relocation assistance. Due to a complicated history of the complex related to a toxic soil issue which has since been remediated, some residents have had long-standing requests for vouchers and relocation assistance. This request has now been satisfied. While some residents opted to move out of the complex, a majority of the residents remained in place. Second, the use of project-based vouchers has improved Midway Village's financial status from essentially break-even to a healthy surplus. This surplus enables HACSM to make necessary capital improvements at the property (e.g. new kitchen cabinets and countertops in resident units, new mailbox structures around the campus, improved signage around the property) and thereby reduce substantial deferred maintenance. These improvements are one of the many reasons residents choose to stay at the complex.

For El Camino Village, this activity will remain on hold until HACSM decides to re-submit the dispo application.

C. 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;

HACSM does not plan to change its strategy for this MTW activity in FY2013.

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

HACSM is not making any revisions to the benchmarks or metrics of this MTW activity at this time. As stated above, the benchmark was achieved for this activity at Midway Village due to its successful conversion from Public Housing to Project-Based Vouchers.

HACSM's decision of whether or not to re-submit a dispo application for El Camino Village will determine if benchmarks or metrics will be revised in FY2013.

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

HACSM does not foresee any changes to the data collection methodology.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D to implement this MTW activity.

- G. Authorization for the approved activity**

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

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

MTW authorization is required for this activity because HUD regulations cap the number of Project-Based Voucher units in each project at 25% (unless there are excepted units with qualifying families).

On-Going MTW Activity #2010.6: Biennial re-certification schedule for elderly/disabled households

A. Activity Description

In FY2010, HACSM was granted HUD approval to recertify HCV households designated as elderly or disabled every other year. Elderly/Disabled households represent approximately half of all HACSM voucher holders. To implement this activity originally, HACSM set up a biennial schedule based on the last name of the head of household. In FY2010, HACSM completed recertification appointments for elderly/disabled households with last names A – K. In FY2011, HACSM completed recertification appointments for households whose last names began with L – Z.

In FY2012, HACSM discontinued using the last name of the head of household for the biennial schedule. Previously, HACSM was manually entering the biennial recertification dates into its software system based on the alpha system; however, HACSM converted to a new software system in January 2012 and the system automatically calculates the biennial recertification date.

B. Impact of the activity

In the FY2010 MTW Annual Plan, HACSM proposed that this activity would meet HUD’s goal of substantially reducing administrative costs and thereby supporting greater cost effectiveness in the voucher program. Unlike the FY 2011 reporting period, HACSM did realize cost savings of this activity in FY 2012.

This MTW activity has been very effective in reducing staff time and increasing the administrative effectiveness for the program. In addition, participants appreciate the benefit of not having an appointment scheduled every year, especially if their income was not affected or there is minimal impact on their rental portion.

Baseline (established FY2009)	Benchmark	Metric	FY2012 Outcome
Of 4023 reexamination appointments processed annually, approximately 48% of the households qualify as Elderly/Disabled households.	HACSM expects to see a 24% reduction in the total number of annual reexaminations. HACSM expects to recertify approximately 965 fewer households, annually.	Comparison of the number of annual reexaminations before and after new program implementation.	HACSM experienced an increase in vouchers, 149 in total due to the issuance of vouchers for Midway Village residents. In FY2012, of the 4172 active vouchers, 2044 (49%) are elderly/disabled households. As a result of this activity, HACSM completed 1022 fewer (a 24% reduction) recertification appointments for elderly/disabled households in FY2012.
On average, HACSM staff spend 84 minutes per file (at a cost of \$80/file) to complete reexamination	HACSM expects to save 122 hours (965 households at 84 minutes per file) per staff member annually. HACSM expects	Comparison of the number of recertifications avoided and associated costs as a result of this activity	Based on reduction of 1022 households not seen for recertification due to the biennial schedule, each HACSM staff member realized an annual time savings of 204 hours and \$81,760 in wages and benefits savings.

appointments and applicable paperwork. Each HACSM staff member responsible for reexaminations spends 513 hours on annual reexamination processes.	an \$80,504 cost savings as a result of this initiative.		
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In FY2012, HACSM did not receive any hardship requests from households as a result of this activity.

- C. **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;**

HACSM does not plan to change its strategy for this MTW activity in FY2013.

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

HACSM will continue to monitor this activity for its effectiveness in FY2013.

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

HACSM does not foresee any changes to the data collection methodology.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D to implement this MTW activity.

- G. **Authorization for the approved activity**

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

This MTW authorization is necessary because HUD regulations require annual reexaminations for all participants to determine ongoing program eligibility.

On-Going MTW Activity #2010.7: Simplify Rent Calculation Process

A. Activity Description

HACSM received approval to implement several MTW activities in FY2010 regarding rent calculation policies and procedures. It was HACSM's intent that implementing the new activities or more transparent process for participants, a streamlined and more efficient practice for HACSM and overall improvement in the accuracy of the calculations. Following is an update on the key aspects of these rent calculation activities.

o **Eliminate the imputed asset rate calculation.**

- o HACSM received HUD approval, and implemented this activity in July 2009. Instead of completing an additional calculation with the HUD passbook interest rate, HACSM simply calculates interest from assets based on the actual interest earned.
- o Effective July 1, 2011, HACSM implemented a new MTW Activity to, "Exclude asset income from income calculations for households with assets under \$50,000" that further expanded the calculation process surrounding assets.

o **Eliminate the Earned Income Disallowance (EID)**

As the final part of the rent simplification activity, HACSM proposed and received HUD approval to eliminate the Earned Income Disallowance (EID) in July 2009. Historically the EID process is very complicated, time-consuming to administer and prone to error especially if the participants do not report in a timely manner.

B. Impact of the activity

As a result of this MTW activity, both applicants and participants have experienced a significant reduction in the length of time required for on-going eligibility determination. Due to the interconnectedness of the MTW program design overall, many of the MTW activities support each other and therefore the end result is significant time savings for the participant.

In the case of the elimination of EID, HACSM received no hardship requests in FY2012.

Baseline (established 1/1/09 – 6/30/2009)	Benchmark	Metric	FY2012 Outcome
Less than 1% of HACSM households are receiving the benefits of EID	HACSM expects that an increase of 20% of participant households will realize cost savings due to the new initiatives and interim policy, in place of the EID calculation.	HACSM will compare the household savings due to income increases before and after implementation.	In FY2012, only 10 participants (less than 1%) of all participants would have been eligible for EID. As was the case in previous years, all 10 participants were in Elderly/Disabled households and therefore on a biennial schedule – allowing them to realize greater savings that would have been afforded through the EID calculation.

Impact of the Rent Reform Initiative

Due to the fact that eliminating EID changes the way in which a participant's rent portion is determined, this activity does meet HUD's definition of a rent reform initiative.

As discussed above, there were no hardship requests from this activity in FY2012. Due to HACSM's generous interim policy, participants are not required to report most income increase changes between their regularly scheduled recertification appointments. Therefore, for households designated as elderly/disabled, the increased income will be available to the family throughout their recertification term – leading to the potential for increased savings, credit repair, additional education – all determined by the family.

HACSM will continue with this MTW activity in FY2013, and will continue to monitor its effectiveness and any potential hardship for eligible participants

- C. 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.**

Due to the success of this MTW activity, HACSM is not planning to change its strategy at this time.

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

HACSM will continue to monitor this activity for its effectiveness in FY2013.

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

HACSM is not changing its methodology for this activity.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D to implement this MTW activity.

- G. Authorization for the approved activity**

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

The MTW authorization is required for this activity because HUD regulations require that all assets over \$5,000 be subject to a threshold test with HUD's "passbook rate." Also, HUD regulations require that all individuals who qualify, be given an earned income disallowance (EID).

On-Going MTW Activity #2010.8: Simplify Third-Party Verification Process

A. Activity Description

In FY2010, HACSM received HUD approval to simplify the third-party verification process associated with earned income, asset income, and medical and child care expenses, in an effort to relieve administrative burdens, increase productivity, reduce calculation errors and ease the intrusive nature of the process for HCV applicants and participants. HACSM continues to use the Enterprise Income Verification (EIV) system for verification of participant identity, wage and assistance benefits.

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

Effective July 1, 2009, HACSM increased the threshold at which assets require third-party verification from \$5,000 to \$50,000 for the HCV programs. In place of third-party verification, the family is required to provide a current statement from the financial institution(s) showing the balance of the asset account(s).

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

- **Streamline verification of eligible medical expenses**

Effective July 1, 2009 HACSM instituted a streamlined verification process for eligible medical expenses in the HCV programs to ease both the administrative burden for the Housing Authority and the challenges to the participants. HACSM instituted a policy in which eligible families, who claim medical expenses, are required to sign a self-certification and provide supporting documents from credible and established sources, such as receipts from medical care providers or pharmacy statements as proof of the claimed expenses.

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

Effective July 1, 2009 HACSM instituted a streamlined verification process for eligible child care expenses in the HCV programs to ease both the administrative burden for the housing authority and the challenges to the participants. To reduce the challenges in verifying claimed child care expenses, eligible families who claim child care expenses are now required to sign a self-certification and provide supporting documents from credible and established sources, such as day care invoices, receipts or written statements from the child care provider as proof of the claimed expense. Expenses incurred from an adult member of the household who provides child care or the absent parent who does not reside in the subsidized unit, are not acceptable.

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

Effective July 1, 2009, HACSM received HUD approval and implemented a revised timeline for verification documentation to 120 days for HCV applicants and participants.

This new timeline reduces duplication of work and accelerates an applicant's admission to the program and a participant's recertification for continuing program eligibility.

B. Impact of the activity

Baseline (established FY2009)	Benchmark	Metric	FY2012 Outcome
On average, HACSM staff spend 738 hours annually to process third-party verifications for reexamination	HACSM expects a 50%+ reduction in staff time required to process third-party verifications	Comparison of staff time before and after new systems are in place	HACSM has realized a significant reduction in staff time for this activity. In FY2012 HACSM staff spent a total of 297 hours annually in processing third party verifications, representing a 60% reduction in staff time. This annual total represents the hours of four staff members that directly process third party verifications (the baseline hours were also based on four staff members).
On average, HACSM spends \$29,285 annually on staffing costs (\$7.30 per file) to process third party verifications	HACSM expects to realize a \$15,000 savings in costs to process third-party verifications	Comparison of the costs of third party verifications before and after implementation of this activity.	In FY 2012 HACSM saved \$13,751 annually on staffing costs to process third party verifications.

This activity has been successful for HACSM due to a combination of many factors such as the use of HUD's EIV system, the collection of tenant-provided documents, and fewer asset verifications being processed as a result of MTW activity #2012.25.

Due to the success of this activity, HACSM was able to reallocate its staff from the team that processes recertifications. Previously, there were two office specialists supporting seven Housing Program Specialists. With the time savings realized from this activity, one of the office specialists was transferred to another team as it was found that one office specialist is sufficient support for the seven Housing Program Specialists.

C. 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.

This activity continues to be very effective for meeting HACSM's goal of increasing administrative efficiencies.

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

HACSM will continue to monitor this activity for its effectiveness in FY2013.

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

HACSM is not changing the data collection or methodology at this time

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

HACSM did not request, or receive, any additional authorization from Attachment C or D to implement this MTW activity.

- G. Authorization for the approved activity**

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

MTW authorization is necessary for this activity because HUD regulations require PHAs to verify all information that is used to establish the family's eligibility and level of assistance. In general, HUD requires PHAs to use the most reliable form of verification that is available and to document the reasons when the lesser form of verification is used.

On-Going MTW Activity #2010.9: Tiered Subsidy Table (TST)

A. Activity Description

In late 2009, HACSM received HUD approval to implement the TST. On March 1, 2010, HACSM implemented the pilot phase of the TST for all HCV applicants, Project-Based participants, and the original 300 MTW program participants, based on their voucher bedroom size and annual adjusted income. As a result of the success of this pilot phase, HACSM expanded the TST to all participants as they are seen for recertification, relocation or new move in, effective March 1, 2011.

The TST, a subsidy table representing the first of its kind in the nation, gives HACSM the ability to inform the participant of the maximum dollar amount that HACSM will contribute to their housing costs *at the time* of voucher issuance. This is a 180° change from the current HCV rules that cannot determine the participant's subsidy portion until after a potential unit is secured and the contract rent and utility responsibilities are negotiated with the landlord/owner.

While other housing authorities have established rent tables that inform a participant of their rent portion based on eligible bedroom size, HACSM's TST gives participants the ability to search for available units with the knowledge of exactly how much HACSM will contribute to their housing costs throughout San Mateo County, make personal decisions as to how much of their income they are comfortable contributing towards their housing costs, and practice in negotiating with owners through the leasing process. HACSM's intention through this program change is to empower the participants to take personal responsibility for their lives, starting with their housing decisions.

In FY2011 and FY2012, HACSM was the recipient of a San Mateo County Star Award for program innovation due to the Tiered Subsidy initiative.

The Tiered Subsidy Tables can be found in Appendix Three of this report.

B. Impact of the activity

Upon implementation of the TST, new applicants in San Mateo County found and moved into rental units, both apartments and single family homes, in a significantly shorter timeframe. Original tracking showed an approximately four (4) week decrease in the time needed to find and secure a unit. In FY2010 alone, participants and applicants experienced a 20 day decrease in the time needed to find and secure a rental unit and a 2 week decrease in the length of time to determine initial eligibility. For a family in need of housing, a month (34 days) *is* a significant decrease. In FY2011, these indicators remained consistent. In FY2012, HACSM has seen the average number of days increase slightly to find and secure a unit; however, HACSM sees the increase as a result of the tighter housing market as opposed to the TST initiative.

HACSM is very pleased with the results of this activity as it has resulted in greater flexibility for families and a simpler rent calculation method for staff. As discussed in previous activities, HACSM is monitoring the effect of the higher rents in the area and the subsidies provided by the TST activity. If needed, HACSM will adjust the subsidy amounts of the TST to reflect appropriate levels so that tenant rents are not disproportionately high.

Baseline (established FY2009)	Benchmark	Metric	FY 2012 Outcome
On average, HACSM requires 56 days from initial eligibility appointment to voucher issuance	HACSM expects a 40% reduction (approximately 23 less days) in the number of days required to determine initial eligibility and voucher issuance	Comparison of the average number of days needed for the initial eligibility determination and voucher issuance before and after implementation	In FY2012, on average it required 40 days (approximately 30% reduction in days) from initial eligibility appointment to voucher issuance.
On average, HACSM requires 60 days for a new Tenant Based voucher holders to complete the activities from voucher issuance to lease up (this does not include new Project Based participants)	HACSM expects a 15% reduction (approximately 9 days) in the number of days required for a new Tenant Based Voucher participant to complete the lease up process (note: this does not include new Project Based participants)	Comparison of the average number of days required for Tenant Based Voucher participants to find and secure a rental unit	In FY2012, new participants were requiring 62 days on average from voucher issuance to lease up. Although HACSM has seen the average number of days increase slightly to find and secure a unit, we see the increase as a result of the tighter housing market as opposed to the TST initiative.

Impact of the Rent Reform Initiative

Due to the fact that HACSM's TST significantly changes the way in which a tenant's rent portion is determined, the TST meets HUD's standard of a rent reform initiative.

As of June 30, 2012, approximately 80% (3378 participants) of all HACSM's voucher holders eligible for this activity are participating in the TST program. Due to the biennial recertification schedule, HACSM expects all families to be transitioned to TST no later than March 2014.

Initially, in order to be eligible for hardship relief as a result of TST, a participant must have been housed prior to 3/1/2010 and not have relocated to a new unit since that date. However, effective March 1, 2011, HACSM converted all participants to TST at their next annual or biennial recertification appointment. The other qualifications for hardship relief from the TST depend upon whether or not the new TST calculation results in the tenant's rent portion being more than \$25 higher. If that is the case, then the household is eligible for the hardship calculation and HACSM will calculate their portion according to the traditional HCV method for an additional recertification period. At that time, the household will automatically convert to TST and they are no longer eligible for a hardship review for the TST.

HACSM received a total of 183 hardship requests in FY2012, of which 26 were denied due to not meeting the qualifications. The 157 approved hardship requests represent approximately 4.65% of all TST participants. HACSM developed an excel spreadsheet to complete the calculation and inform the staff whether or not the household is eligible for the hardship calculation. HACSM continues to review any and all hardship requests and monitor whether or not adjustments to the TST are required.

For additional information on HACSM's Hardship Policy, please see Appendix One of this report.

- C. **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.**

This activity continues to be very effective for HACSM in increasing administrative efficiencies and improving housing choice for participants.

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

HACSM does not intend to revise the benchmarks or metrics on this activity at this time.

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

HACSM is not changing the data collection or methodology at this time

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

HACSM did not request, or receive, any additional authorization from Attachment C or D to implement this MTW activity.

- G. **Authorization for the approved**

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

MTW authorization for this activity is required because HUD regulations specifically address how a tenant's rent portion is calculated and HAP portion determined.

On-Going MTW Activity #2010.10: Simplify HQS Processes

A. Activity Description

In an effort to increase administrative efficiencies and cost savings, HACSM received HUD approval, July 1, 2009, to simplify the annual HQS inspection process in several areas, including the following:

- Reducing the total number of units inspected each month through a sampling process for certain units,
- Implementing an owner self-certification process for certain fail items, and
- Allowing HACSM to inspect units at HACSM-owned properties.

Through HACSM's experience with the MTW inspection activities in FY2010, HACSM was able to research, design, propose and implement (in August 2010) a more aggressive MTW inspection activity in FY2011, "Biennial Inspection Schedule for all Units under Contract." As a result of this new activity, HACSM eliminated the "Multi-Unit Sampling" for HQS activity and the "Owner Self-certification of repairs" activity, effective July 1, 2010.

○ **HACSM to inspect HACSM-owned properties**

Effective July 1, 2009, based on HUD's approval of HACSM's MTW Annual Plan, HACSM was given the ability to inspect HACSM-owned or affiliated properties for HQS compliance.

B. Impact of the activity

See below information on the key aspects of this activity.

Baseline (established FY2009)	Benchmark	Metric	FY2012 Outcome
Annually, HACSM has had a direct cost of \$1,500 to hire outside consultants to inspect HACSM-owned properties	HACSM expects to realize a cost savings of \$1,110 for the inspections of HACSM-owned properties.	Comparison of cost savings for HACSM-owned properties before and after implementation	In FY2012, due to the biennial inspection schedule, HACSM conducted approximately 15 inspections at Half Moon Village, a HA-owned property. The cost savings for these inspections was approximately \$780.

HACSM utilizes a sampling method for all of its quality control inspections, which includes HA-owned units. This sampling allows for a representation of units in different cities throughout San Mateo County, different inspection types (initial and annual), and different staff who conducted the inspections.

- C. **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.**

HACSM has considered this activity to be very effective in achieving administrative efficiencies and will continue to monitor in FY2013.

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

HACSM does not intend to revise benchmarks or metrics on this activity at this time.

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

HACSM is not changing the data collection or methodology at this time.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D to implement this MTW activity.

- G. **Authorization for the approved activity**

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

MTW authorization is required for this activity is necessary because HUD regulations require that all subsidized units are inspected annually for HQS compliance.

On-Going MTW Activity #2010.11: Eliminate competitive process for allocation of Project Based vouchers to formerly public housing units

A. Activity Description

In FY2011, HACSM received HUD approval to allocate project-based vouchers to its former public housing units without the use of a competitive process. This activity was designed to complement the On-Going MTW Activity 2009.5, “Expand Usage of Project-Based Vouchers at HACSM Developments Undergoing Disposition Process,” as discussed previously in this report.

Midway Village, a 150 unit complex located in Daly City, was approved for disposition from Public Housing status in January 2011. Newly received replacement vouchers were issued to all eligible families in May 2011 and HACSM entered into a Project-Based HAP contract for 150 vouchers. The flexibility afforded through this MTW activity allowed HACSM to streamline the demo/dispo process at Midway Village and shorten the transition period for families to decide whether to remain in place or exercise their ability to move with voucher assistance.

Increased fiscal responsibility has also been achieved, as this activity has been critical in enabling HACSM to create a stable and reliable financial outlook for these units, providing more timely maintenance and upgrades and in the preservation of affordable housing units in San Mateo County.

HACSM also operates a public housing development known as El Camino Village, a 30 unit complex located in Colma. The disposition application for El Camino Village may be resubmitted to HUD in FY2013.

B. Impact of the activity

The original baseline data reported below is based on both of HACSM's public housing properties at the time – El Camino Village and Midway Village. As reported previously, the dispo application for Midway Village was approved; however, the El Camino Village application was not approved. The results reported in the table below will be for the 150 units at Midway Village only.

Baseline (established FY2009)	Benchmark	Metric	FY2012 Outcome
Due to the current public housing rules, HACSM's 180 public housing residents are not entitled to or assisted with relocation to privately held housing	HACSM's expectation is that 9 residents, (approximately 5% of the total public housing residents) will relocate to privately held housing by the end of the first year after disposition	Comparison of the number of public housing residents able to relocate before and after implementation.	As of 6/30/2012, ten (10) families (7% of the formerly public housing residents) relocated from Midway Village using their Housing Choice Voucher and relocation assistance. Two additional families relocated from Midway Village without relocation assistance or a Housing Choice Voucher – they moved to open market housing.

<p>HACSM staff has estimated that it takes approximately four months, on average, to complete the Request for Proposals (RFP) process for the Project-Based Voucher competition</p>	<p>HACSM expects to reduce the time required to review, process the applications, submit the applications to HUD and receive HUD approval by three months (75% reduction) as a result of this activity during the fiscal year following approval of the dispo application</p>	<p>Comparison of the time required to complete a competitive process via HUD regulations and as completed through this MTW activity.</p>	<p><i>Benchmark achieved.</i></p> <p>Without having to go through a competitive process, HACSM was able to reduce the amount of time needed to execute a HAP contract and implement a Project-Based HAP contract in less than one month.</p>
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- C. 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.

HACSM has considered this activity to be very effective.

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

HACSM does not intend to revise benchmarks or metrics on this activity at this time.

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

HACSM is not changing the data collection or methodology at this time.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D regarding this MTW activity.

- G. Authorization for the approved activity

The approved activity is authorized in the HACSM's Moving To Work Agreement, Attachment C, Paragraph D 7a, and waives certain provisions of Section 8 (o)(13)(B and D) of the 1937 Act and 24 CFR 982.102 and 24 CFR Part 983, as necessary to implement HACSM's amendment.

MTW authorization is required for this activity because HUD regulations require a competitive process for solicitation of Project-Based Voucher proposals.

On-Going MTW Activity #2010.12: Waive 12 month stay requirement for residents in formerly public housing units converted to project based units

A. Activity Description

With the approval of HACSM's demo/dispo application, existing public housing residents at the time of disposition will not be required to stay in their unit for 12 months after conversion to PBV assistance.

Instead, former public housing residents will have the choice to determine if and when they want to move. HACSM expects that some current public housing residents will choose to move into the private rental market and potentially have access to housing in tenant preferred school districts, closer proximity to their employer or additional employment opportunities, and/or closer to public transportation.

B. Impact of the activity

The original baseline data reported below is based on both of HACSM's public housing properties at the time – El Camino Village and Midway Village. As reported previously, the dispo application for Midway Village was approved; however, HACSM did not complete the submission for El Camino Village. The results reported in the table below will be for the 150 units at Midway Village only.

Baseline (established FY2009)	Benchmark	Metric	FY2012 Outcome
HACSM public housing has a vacancy average of 15 units/year	HACSM expects no more than a 10% increase in vacancy turnover, the equivalent of 2 additional units	Comparison of the average number of vacant units before and after implementation	During FY 2012, Midway Village had a total of 12 vacancies as a result of families moving out of Midway Village (10 families' utilized vouchers and 2 families moved to open market housing).
The vacancy turnover costs per unit is approximately \$5,600	HACSM expects a potential \$11,200 increase in costs in relation to the cost per unit turnover in the first year following disposition	Comparison of the average cost per unit at vacancy turnover before and after implementation	Since HACSM had fewer vacancies than anticipated as a result of this activity, the costs decreased by \$16,800
Current PBV rules do not permit relocation before 12 months, making the baseline amount zero	Resident choice is increased at least 5% or 9 families (7 at Midway Village and 2 at El Camino Village) will use their vouchers and relocation benefits to move	Actual count of families utilizing their vouchers and relocation benefits during the 12 months after vouchers are issued	As of 6/30/2012, 10 families used their vouchers to relocate and used relocation benefits to move.

C. 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.

HACSM has considered this activity to be very effective.

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

HACSM does not intend to revise benchmarks or metrics on this activity at this time.

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

HACSM is not changing the data collection or methodology at this time.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D regarding this MTW activity.

- G. Authorization for the approved activity**

The approved activity is authorized in the HACSM's Moving To Work Agreement, Attachment C, Paragraph D

MTW authorization for this activity is required because HUD regulations require that participants remain in project-based housing at least 12 months prior to requesting relocation.

On-Going MTW Activity #2010.13: Accept lower HAP for in place Public Housing residents, at conversion to project-based voucher units

A. Activity Description

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 the resident is occupying. This MTW policy flexibility will ensure residents that remain in former public housing units after disposition, and who are “over-housed”, i.e. occupying units that have more bedrooms than permitted under voucher unit size rules, have continued access to housing assistance in their current unit. However, as is the current policy, as units of the appropriate size become available at the subject project-based property, the over-housed resident will be required to move into the newly available unit.

B. Impact of the activity

The original baseline data reported below is based on both of HACSM's public housing properties at the time – El Camino Village and Midway Village. As reported previously, the dispo application for Midway Village was approved; however, HACSM did not complete the submission for El Camino Village. The results reported in the table below will be for the 150 units at Midway Village only.

Baseline (established FY2009)	Benchmark	Metric	FY 2012 Outcome
As of September 2009 only 19 of 179 residents in public housing are “over-housed” according to HCV subsidy standards. <ul style="list-style-type: none"> • One resident at the El Camino Village (30 units) • 18 residents at the Midway Village (150 units) 	HACSM expects that within 12 months of the disposition, the number of over-housed public housing residents will decrease by four residents, (approximately 20% of the total number of residents) <ul style="list-style-type: none"> • One(1) resident unit at El Camino Village • Three (3) residents units at Midway Village 	Comparison of the number of “over-housed” residents in the formerly public housing units before and after implementation	As of June 30, 2012, 9 of 150 residents at Midway Village remained as “over-housed” according to the HCV subsidy standards. HAP amounts were adjusted based on the household voucher size.

C. 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.

HACSM has considered this activity to be very effective.

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

HACSM does not intend to revise benchmarks or metrics on this activity at this time.

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

HACSM is not changing the data collection or methodology at this time.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D to regarding this MTW activity.

- G. Authorization for the approved activity**

The approved activity is authorized in the HACSM's Moving To Work Agreement, Attachment C, Paragraph D

MTW authorization is required for this activity because HUD regulations require that HAP be paid based on the payment standards of the lesser of voucher size or unit size rented.

On-Going MTW Activity #2010.14: Establish flat or market rate policy for over income Public Housing residents at conversion of Public Housing to Project Based units

A. Activity Description

HACSM will permit current residents of public housing undergoing the disposition process and who are not eligible to receive a voucher due to exceeding the income limitation of the voucher program, to have the option of remaining in the unit at the higher of the flat rate or market rate for the unit for a maximum of 12 months. Additionally, should the former resident's income level in the subsequent six months (after vacating the public housing development) decrease to a level that they would be income eligible, they will be allowed to re-apply to the project based wait list with a preference. At such time as the resident vacated the unit, the unit would convert to a standard project-based unit.

B. Impact of the activity

The original baseline data reported below is based on both of HACSM's public housing properties at the time – El Camino Village and Midway Village. As reported previously, the dispo application for Midway Village was approved; however, HACSM did not complete the submission for El Camino Village. The results reported in the table below will be for the 150 units at Midway Village only.

Baseline (established FY2009)	Benchmark	Metric	FY 2012 Outcome
As of September 2009, there are 23 public housing residents who are over the HCV income eligibility limits	HACSM expects a reduction of public housing units occupied by over-income residents by 50% (12 residents) in the first year following the disposition process and the remaining 21 residents in the second year	Comparison of the number of over-income public housing residence before and after implementation	As of June 30, 2012, there were no residents at Midway Village over the HCV income eligibility limits and no residents paying the fair market rate.

C. 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.

HACSM has considered this activity to be very effective.

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

HACSM does not intend to revise benchmarks or metrics on this activity at this time.

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

HACSM is not changing the data collection or methodology at this time.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D for this MTW activity.

- G. Authorization for the approved activity**

This approved activity is authorized in the HACSM's Moving To Work Agreement, Attachment C, Paragraph D

MTW authorization is required for this activity because HUD regulations require application of a different income limit in the HCV program versus the Public Housing program.

On-Going MTW Activity #2011.15: Institute biennial inspection schedule for units under contract

A. Activity Description

Effective July 1, 2010, after receiving HUD approval in late June 2010, HACSM began implementation of a biennial inspection schedule for all HCV units, with the provision to establish exceptions, such as annually inspecting units abated in the previous 12 months. Upon request by the family, landlord, or other third parties, HACSM will conduct complaint inspections as is the current practice. In addition to regularly scheduled HQS inspections, HACSM will continue to conduct random quality control inspections to ensure that both landlords and families are abiding by the HQS requirements and HQS standards are being applied consistently.

Although units may have a biennial inspection schedule, they must at all times meet Housing Quality Standards while they are under contract.

B. Impact of the activity

Baseline (established FY2010)	Benchmark	Metric	FY2012 Outcome
HACSM has 4023 vouchers that require annual inspections under the current system.	Reduce the number of annual inspections by 1800	Compare number of annual inspections before and after the new initiative	<i>Benchmark achieved.</i> The biennial schedule reduced the number of inspections to approximately 2086 annually. The number of annual inspections before the biennial schedule was 4172. The baseline increased slightly due to the additional 149 vouchers for Midway Village.
On average, it takes 62 minutes (249,426 minutes or 4,157 hours annually) in total to complete each annual inspection, including travel time.	Save 1,860 hours of staff time annually	Conduct time study to ensure sufficient time is spent to produce quality inspections	HACSM uses a 3 rd -party vendor to conduct its annual inspections. With the biennial schedule, the number of inspections required was reduced by 50%. Close to 2000 hours have been saved since the inspections were not done by HACSM's Specialists.
On average, HACSM has \$6.57 in direct material costs per inspection or \$26,431.11 annually	Save \$11,826 in direct costs	Compare direct costs before and after the new initiative	Some of the direct costs, such as transportation, are covered by the 3 rd -party vendor. HACSM saved \$52,150 in direct inspection fees due to the biennial schedule. Excluding transportation cost, HACSM saved approximately \$5000 in material costs.
Owner outreach/education. Situated in one of the costliest rental markets, HACSM recognizes the need to expand its effort in owner outreach and education in order to assist	HACSM expects to implement an owner outreach and education program that includes: (1) Semi-annual owner information workshops, (2)	Compare the number of owner information workshops, field visits to owners, and track new rent reasonableness	In May 2012, HACSM launched an online program called Social Serve, a "real-time" housing locator database that provides participants with a wider selection of rental properties and provides HACSM

<p>program participants in locating suitable units in the county. Due to the high number of cases per housing specialist, currently, almost all of the staff time is devoted to conducting inspections (annuals, interims, and move-ins), leaving very little time to implement a comprehensive owner outreach and education program.</p>	<p>6 field visits to owners (new and existing) per month, (3) Entering at least 16 new comparables per month in the HACSM rent reasonableness data base</p>	<p>inputs before and after implementation of the new initiative</p>	<p>with a selection of owners to include in its owner outreach program.</p>
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- C. 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.

HACSM has considered this activity to be very effective and will continue to monitor in FY 2013.

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

HACSM does not plan to revise the benchmarks or metrics for this activity.

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

HACSM does not foresee any changes to the data collection methodology.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D for this MTW activity.

- G. Authorization for the approved activity

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

On-Going MTW Activity #2011.16: Expand the Section 8 Project Based Voucher Program

A. Activity Description

Effective July 1, 2010 HACSM received HUD’s approval to increase its voucher budget allocation to the Project-Based program. . As a result of this initiative, HACSM is proposing to potentially increase the number of project-based units to 1,200. These programs will be one of the major resources for the development of additional affordable housing units and will enable the County to meet the goals of the HOPE Plan, San Mateo County’s 10 year plan to end homelessness. HACSM recognizes that the number of available “traditional” HCV vouchers will be decreased as a result. However, in selecting future project-based projects, HACSM will give preference to properties that are newly constructed, located near public transportation corridors, and contain energy efficient features. This will increase housing choice for families by increasing the supply of decent, safe, and sanitary affordable housing, (i.e. this would represent units that otherwise would not be constructed).

By diversifying the use of our finite number of vouchers, this initiative will provide a wider variety in type and location of housing for our participants, present and future.

B. Impact of the activity

Baseline (established FY2011)	Benchmark (Annual)	Metrics	FY2012 Outcome
<p>1. HACSM has HAP contracts with 534 Project Based units</p> <p>2. HACSM spent \$5,503,270 in HAP on the Project Based program which represents 9.75 percent of budget authority</p> <p>3. HACSM has zero newly constructed, transit-oriented and service-enriched housing units created by the Project-Based program</p>	<p>1. Increase the number of Project-Based units by approximately 45 units in FY2012-2013</p> <p>2. Increase the amount in HAP by \$463,760 which represents 0.82 percent of budget authority annually</p> <p>3. Create at least 45 additional newly constructed, transit-oriented and service-enriched housing units through the Project-Based program</p>	<p>1. Compare the baseline number of Project Based units to the number of Project Based units before and after implementation of the activity</p> <p>2. Compare HAP amount and percentage of budget authority before and after implementation of the activity</p> <p>3. Compare the number of newly constructed, transit-oriented and service-enriched housing units created by Project Based program before and after implementation of the activity</p>	<p>1. HACSM has added 47 units to its project-based program portfolio to a total of 581 units. In addition, HACSM has entered into an AHAP for 30 units.</p> <p>One 39-unit project is waiting for Subsidy Layering Review approval and one commitment letter for 44 units was issued.</p> <p>2. With the addition of 47 project-based units, HACSM will be spending approximately \$5,987,640 annually in HAP. This amount represents about 10% of the budget authority.</p> <p>3. As of 6/30/12, 160 new construction units has been added or are in various stages of development. All of the units are located in transit-oriented and service enriched neighborhood.</p>

			<p>HACSM is prioritizing its additional Project-Based vouchers for newly constructed affordable housing. Due to high land costs in San Mateo County and difficulties in the affordable housing finance sector, extremely few new units are currently in the planning stage.</p>
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- C. 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.

HACSM has considered this activity to be very effective and will continue to monitor in FY 2013.

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

HACSM is not making any revisions to the benchmarks or metrics of this MTW activity.

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

HACSM does not foresee any changes to the data collection methodology.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D for this MTW activity.

G. Authorization for the approved activity

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

HACSM's MTW Agreement, Attachment D: Uses of Funds

On-Going MTW Activity #2011.17: Revise Eligibility Standards

A. Activity Description

Effective July 1, 2010, HACSM received HUD approval to apply an asset value limit for all new applicants and participants. HACSM's new policy states that if an applicant has assets exceeding \$100,000, or a present ownership interest in a suitable home in which they have a legal right to reside, they are determined to be ineligible for the program. If a participant experiences an increase in assets, such that their assets are currently valued at more than \$100,000, or has (since their last reexamination) gained ownership interest in real property in which the participant has a legal right to reside, the participant would be determined ineligible for continued assistance. This determination is made through the recertification process, annually or biennially, based on the household's regular recertification schedule. (Note: HACSM has a biennial recertification schedule for elderly and/or disabled households.)

B. Impact of the activity

Baseline (established FY2011)	Benchmark	Metric	FY2012 Outcome
Currently HACSM has 35 participants with assets valued over \$100K, one of which was admitted to the program during calendar year 2009	HACSM expects a 100% reduction in applicants admitted to the program with assets valued over \$100K	HACSM will monitor and track, at least annually, the number of applicants (who are not eligible due to this initiative), and on-going participants with assets valued over \$100K	As of June 30, 2012, there are currently 10 participants with assets valued over \$100K, all of whom had been admitted to the program prior to July 1, 2010. Additionally, in Calendar Year 2011, four (4) applicants were denied eligibility due to this activity.
During calendar year 2009, HACSM conducted 171 initial eligibility appointments from a waitlist of 3,600	HACSM expects a 5% increase (approximately 10 additional appointments) in the number of initial eligibility appointments completed		During calendar year 2011, HACSM conducted 365 eligibility appointments, representing an over 100% increase from the baseline number of 171 appointments. However, this number is significantly lower than the number of 2276 reported in FY 2011. In FY 2012 HACSM did not pull names from its HCV waitlist due to full capacity of voucher utilization. However, HACSM did continue to process referrals from programs such as Family Unification, VASH, Project Based units and an influx of portable families.
	HACSM expects a 5% increase (approximately 10 additional applicants) will be moved off the waitlist and given the opportunity to have housing assistance		In calendar year 2011, HACSM briefed and distributed vouchers to 331 applicants.

- C. **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.**

HACSM found this to be a very effective activity and will continue to monitor it in FY2013.

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

HACSM is not making any revisions to the benchmarks or metrics of this MTW activity.

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

HACSM does not foresee any changes to the data collection methodology.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D for this MTW activity.

- G. **Authorization for the approved activity**

The approved activity is authorized in HACSM's MTW Agreement, Attachment C, Paragraph D(3), (a) and waives certain provisions of Sections 16(b) and 8(o)(4) of the 1937 Act and 24 C.F.R. 5.603, 5.609, 5.611, 5.628, and 982.201

On-Going MTW Activity #2011.18: Eliminate 100% excluded income from the income calculation process

A. Activity Description

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

With this MTW activity, effective July 1, 2010, HACSM no longer verifies, counts, or reports income that HUD specifies as 100% excluded from the income calculation process. Examples of 100% excluded income are food stamps, income from minors, and foster care payments. HUD regulation 24 CFR 5.609 (c) provides a complete list of all income sources that HUD specifies to be excluded when calculating a family's annual income. Because this income is excluded from the income calculation process, it does not affect the amount of a family's rental assistance.

B. Impact of the activity

Baseline (established FY2010)	Benchmark	Metric	FY2012 Outcome
There are 1021 participant families that receive one or more types of income that are excluded from the income calculation process	HACSM expects a 95% decrease in the collection of tenant reported income from excluded sources.	Comparison of time spent on activity under the current process versus the proposed MTW activity	HACSM had 50 participants with one or more types of income that were eligible for exclusion from the income calculation process. This did meet the proposed benchmark of 95% decrease.
HACSM spends approximately \$7.28/file verifying and calculating 100% excluded income. This time equates to salary costs of approximately \$7,400 annually	HACSM expects a 75% reduction of hours per year in staff time for this activity, representing approximately \$5,575 in salary costs savings as a result of not processing and calculating 100% excluded income	Comparison of total administrative costs for activity under the current process versus the proposed activity	Based on the reduction in number of third party verifications, HACSM processed 970 files less at a cost of \$7.28 per file totaling \$7,062.

- C. 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.

HACSM finds this to be a very effective activity and will continue to monitor it in FY2013.

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

HACSM is not making any revisions to the benchmarks or metrics of this MTW activity.

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

HACSM does not foresee any changes to the data collection methodology.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D for this MTW activity.

- G. **Authorization for the approved activity**

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

On-Going MTW Activity #2011.19: Eliminate the requirement to complete new HAP contract with utility responsibility changes

A. Activity Description

CFR 982.308 (g) (2) (i) requires PHAs to execute a new HAP contract with the owner if there are any changes in lease requirements governing tenant or owner responsibilities for utilities or appliances. Effective July 1, 2010, HACSM received HUD approval to eliminate the requirement of executing a new HAP contract with the owner in such instances as described above. Instead, upon receipt of a written notification from the tenant or the owner detailing the changes, HACSM will review the contract rent to ensure its rent reasonableness, adjust the tenant portion of rent and HAP payment if applicable, and confirm the changes by issuing a rent change notice.

It is important to note that this initiative only applies to participants who have a HAP contract in place prior to July 1, 2010 and who do not relocate. All other new, or relocating, participants are immediately entered into the Tiered Subsidy Table (TST) program. Due to the design of the TST initiative, the utility responsibilities are already factored in to the housing assistance, whether or not the participant or owner is responsible and therefore this activity would never be required. Since HACSM has converted 80% of its voucher holders to TST, this activity will continue to see minimal or no activity.

B. Impact of the activity

Baseline (established FY2010)	Benchmark	Metric	FY2012 Outcome
34 HAP contracts were executed prior to the new policy	There will be no HAP contracts executed for utility or appliance changes, representing a 100% reduction	Compare number of new contracts and the staff time required to execute new contracts due to utility changes before and after the new initiative. Calculate time saved in dollars by using the average of Office Specialist and Housing Occupancy Specialist salary and benefit costs.	<i>Benchmark achieved.</i> There have been no HAP contracts executed for utility responsibility changes in FY2012, achieving a 100% reduction.
34 hours required to prepare and process utility or appliance changes (1hour/contract) with an annual cost of \$1,339 (\$39.39/hour x 34 hours)	HACSM expects an 80% (approximately 27 hours at a rate of 12 minutes/contract) reduction in staff time required to prepare and process utility changes and a cost savings of approximately \$1,064 (\$39.39/hour x 27 hours)		Eliminating processes of revisions to the HAP contracts resulted in \$1,064 in cost savings.

C. 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.

This activity has been effective in meeting HACSM's goal of increasing administrative efficiencies.

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

HACSM is not proposing to change the benchmarks or metrics for this activity.

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

HACSM is not changing the data collection or methodology at this time.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D for this MTW activity.

G. Authorization for the approved activity

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

On-Going MTW Activity #2011.20: Apply current payment standards at interim reexamination

A. Activity Description

Current HUD regulations require that when the payment standard increases during the term of the HAP Contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family at the family's first regular reexamination on or after the effective date of the increase in the payment standard. If the payment standard decreases during the term of the HAP Contract, the lower payment standard generally will be used at the family's second regular reexamination following the effective date of the decrease in payment standard. In addition, irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family beginning at the family's first regular reexamination following the change in family unit size.

To reduce the family's rent burden, eliminate the confusion among staff, and to increase housing choice for families, effective July 1, 2010, HACSM implemented a policy to apply the current payment standard to the calculation of the monthly housing assistance payment at whatever time the action is being processed (i.e. interim reexaminations, annual reexaminations). HACSM will continue to give the family at least 30 days notice of the rent increase in the event the family's rent portion increases as a result of this proposal.

It is important to note that this initiative *only* applies to participants who had a HAP contract in place prior to July 1, 2010 and who have not relocated or have not yet had an annual/biennial recertification since March 1, 2011. All other new, or relocating, participants immediately move into HACSM's TST program where payment standards no longer apply. (For additional information on the TST, please see On-Going MTW Activity #9.)

B. Impact of the activity

Baseline (established FY2010)	Benchmark	Metric	FY2012 Outcome
<p>HACSM processed a total of 90 interim reexaminations during the month of November 2009. When annualized, HACSM processed, on average approximately 1080 interim reexaminations in the last 12 month period.</p>	<p>HACSM expects that the average number of interims to remain constant during the next calendar year</p>	<p>HACSM will compare the number of interim appointments processed during the 12 month period before and after the implementation of this initiative</p>	<p>During FY 2012, HACSM processed a total of 80 (on average) interims per month. When annualized, HACSM processed approximately 960 interim reexaminations in FY2012.</p> <p>While the decrease in interims is not significant, it's important to note that many of the interims processed during the reporting period were a result of contract rent increases and conversion to the new software system.</p> <p>Due to the fact that there were no changes in the payment standards during FY2012, there is no way to measure the effect of this activity.</p>

<p>HACSM experienced approximately a 1-2% rate of error in the application of an incorrect payment standard in files reviewed by the Quality Assurance Unit. When applied to all 4023 vouchers, that rate would reflect approximately 80 files annually that were processed, and would require correction of the payment standard</p>	<p>HACSM expects that the rate of errors in the application of payment standards to be reduced to less than 1% (approximately 40 files) due to this initiative</p>	<p>HACSM will continue to monitor the file review error rate during the file review process before and after implementation</p>	<p>Due to nearly 80% of all HACSM voucher holders now on the TST program, there are far fewer households with the traditional subsidy calculation process.</p>
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- C. 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.**

HACSM has found this activity to be effective in increasing administrative efficiencies.

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

HACSM does not plan on revising the benchmarks or metrics for this activity.

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

HACSM is not planning to revise the data collection or methodology for this activity.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D for this MTW activity.

- G. Authorization for the approved activity**

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

On-Going MTW Activity #2012.21: Change qualifications for “Full-Time Student” Status

A. Activity Description

Effective July 1, 2011, HACSM received HUD approval to change the qualifications for Full Time Student (FTS) status. In order for a family member, other than the head, co-head, or spouse to qualify for the FTS status, and hence the 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.

B. Impact of the activity

Baseline (established FY2011)	Benchmark	Metric	FY2012 Outcome
258 Households with 295 Full-Time Students in total, 33 of which are 24 years old, or older	HACSM expects a 100% decrease (33 fewer FTS participants) in the total number of FTS designations for household members who are 24 years old, or older.	Comparison of the number if FTS, 24 years old or older, before and after implementation	<i>Benchmark achieved sooner than anticipated.</i> As of June 30, 2012, there were no Full-Time Students designated for household members' age 24 years or older. As of June 30, 2012, no household members requested hardship due to this activity.
On average, HACSM excludes \$453,738 per year from the annual income of 25 households with FTS who are 24 years old, or older	By FY2014, HACSM projects a 100% decrease (addition of \$453,738 in income included in the household's annual income) in the total excluded income of households with FTS who are 24 years old, or older	Comparison of the excluded income for FTS over 24 years old before and after implementation	<i>Benchmark achieved sooner than anticipated.</i> As of June 30, 2012, there was a 100% decrease in the total excluded income of households with FTS who are 24 years old, or older.

C. 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.

HACSM has found this activity very effective in achieving its goals and, as noted above, reached its benchmarks for this activity sooner than anticipated.

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

HACSM does not anticipate any changes to the metrics or benchmarks for this activity.

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

HACSM is not planning to revise the data collection or methodology for this activity.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D for this MTW activity.

- G. Authorization for the approved activity**

The approved activity is authorized in HACSM's MTW Agreement, Attachment C, (D) 2 (a) which waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10), 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503, 982.516, 982.518 and 982 Subpart E.

On-Going MTW Activity #2012.22: Include Foster Care, KinGap, and Adoption Assistance payments in Annual Income calculation

A. Activity Description

With HUD's approval, July 1, 2011 HACSM implemented a policy to include foster care, Kin Gap, and adoption assistance payments in the determination of annual adjusted income. In San Mateo County's Foster Parent Handbook, foster care payments are "intended to cover housing, food, clothing, personal needs, transportation, education and recreation." HACSM will include all income provided to the family for the purpose of foster care, Kin Gap and adoption assistance in the annual income calculation. 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.

B. Impact of the activity

Baseline (established FY2010)	Benchmark	Metric	FY2012 Outcome
Earned Income, on average, for households with foster care payments is \$21,622 annually	A 5% increase, on average, in earned income from households receiving foster care payments	Comparison of average earned income of participant families before and after implementation	In FY2012, for households with foster care payments the average earned income was \$25,463. This indicates an approximate 18% increase in earned income.

In FY2012, HACSM did not receive any hardship requests from households in relation to this activity.

C. 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.

HACSM has found this activity to be effective in increasing administrative efficiencies and will continue to monitor in FY2013.

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

HACSM does not plan on revising the benchmarks or metrics for this activity.

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

HACSM is not planning to revise the data collection or methodology for this activity.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D for this MTW activity.

- G. Authorization for the approved activity**

The approved activity is authorized in HACSM's MTW Agreement, Attachment C, (D) 2 (a) which waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10), 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503, 982.516, 982.518 and 982 Subpart E.

On-Going MTW Activity #2012.23: Modify Head of Household (HOH) changes policies

A. Activity Description

In order to encourage families towards self-sufficiency and reach more eligible households on the HCV waitlist, HACSM, with HUD's approval, implemented the following policies regarding the activities surrounding changes in the head of household.

HACSM policies include the following:

- The individual becoming the new HOH must be in the household for at least the previous 12 consecutive months, **and**
- At the time of the HOH change, the household would join the time-limited MTW Self-Sufficiency program (MTW On-going Activity #1). However, if household is already enrolled in the time-limited MTW Self-Sufficiency program, the remaining household members would only be eligible for the remaining term, not an additional term.

With the implementation of this activity, HACSM recognizes the following exceptions to the automatic enrollment in the HACSM's MTW Self-Sufficiency program:

- If the newly designated HOH is elderly/disabled, they will have the ability to "opt out" of the time-limited MTW Self-Sufficiency program if they so choose;
- If the change is the result of domestic violence;
- If the new HOH is an original household member (at the time admitted to the HCV program, or as far back as possible through files, or PIC data); or
- When the change in HOH is the result of a temporary guardian becoming the permanent guardian of existing minors on the housing application.

B. Impact of the activity

Baseline (established FY2011)	Benchmark	Metric	FY2012 Outcome
<p>On average, HACSM completes approximately 2 changes in HOH per month (24 annually)</p> <p>In FY 2010, approximately 240 vouchers turned over at an average rate of approximately 20 per month</p>	<p>HACSM expects a 25% decrease (6 fewer head of household changes annually) due to this activity</p> <p>A 10% increase in voucher turnover (an additional 2 vouchers per month). It is important to note that this is a long-term benchmark as due to the MTW time limited self-sufficiency term, this benchmark will not be reached until 2016 at the earliest (5 years following implementation).</p>	<p>HACSM will compare the number of head of household changes before and after implementation</p> <p>Currently HACSM tracks voucher utilization on a regularly occurring basis. HACSM will use this data to track any changes or trends due to the implementation of this activity in FY2012.</p>	<p>In FY2012, HACSM processed a total of 27 changes in Head of Household (HOH).</p> <p>All of the households met the exceptions to the automatic enrollment to the MTW Self-Sufficiency program (e.g. elderly households with remaining member, new HOH was original member and retained Voucher assistance).</p> <p>HACSM's voucher turnover in FY2012 has remained consistent at approximately 20 per month.</p>

While HACSM did not see a reduction in the number of HOH changes during this reporting period, we are not concerned that this number has not changed significantly. HACSM is looking at further tightening its policy in this area (and in conjunction with MTW activity #2012.24) as we found several households who reach zero subsidy request a change in HOH to remove the higher income earning member.

- C. 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.**

HACSM has found this activity to be effective in increasing administrative efficiencies.

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

HACSM does not plan on revising the benchmarks or metrics for this activity.

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

HACSM is not planning to revise the data collection or methodology for this activity.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D for this MTW activity.

- G. Authorization for the approved activity**

The approved activity is authorized in HACSM's MTW Agreement, Attachment C, (D) 2 (a) (d) which waives certain provisions of Section 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(7), 8(o)(10),8(o)(13)(F)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503, 982.518 and 982 Subpart L and 983 Subpart E and Attachment C, (D) 3 (b) which waives certain provisions of 24 CFR982.516 and 982 Subpart E.

On-Going MTW Activity #2012.24: Change Automatic Termination of HAP Contact from 180 days to 90 days

A. Activity Description

With HUD's approval, effective July 1, 2011, HACSM reduced the number of days that a participant can remain on the program, while paying 100% of their rent, to 90 consecutive days

B. Impact of activity

Baseline (established FY2010)	Benchmark	Metric	FY2012 Outcome
24 Households left the HCV program due to "Zero" HAP status	Annually, 2 additional households (26 households in total) will graduate from the HCV Program due to the "Zero" HAP 90 day policy.	HACSM will review the data collected at least annually	HACSM currently has 15 households that have left the program due to "zero" HAP status. Note: The number of families reaching zero HAP is not within HACSM control. In addition, HACSM did not experience an increase due to families reporting household composition changes and income changes during the 90 day period.
10 Households experienced household composition changes or a decrease in income such that an interim recertification was processed and the household remained on the HCV program.	Annually, 1 additional household (11 households in total) will successfully graduate from the HCV program rather than needing continued assistance.	HACSM will review the data collected at least annually	Approximately the same number of households experienced a decrease in their income during the reporting period.

C. 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.

HACSM has found this activity to be effective in increasing administrative efficiencies.

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

HACSM does not plan on revising the benchmarks or metrics for this activity.

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

HACSM is not planning to revise the data collection or methodology for this activity.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D for this MTW activity.

- G. Authorization for the approved activity**

The approved activity is authorized in HACSM's MTW Agreement, Attachment C, (D) 1 (a) which waives certain provisions of Section 8(o)(7) of the 1937 Act and 24 C.F.R. 982.162

On-Going MTW Activity #2012.25: Exclude asset income from income calculations for households with assets under \$50,000

A. Activity Description

Building on the administrative efficiencies realized through the alternative verification process of assets valued less than \$50,000 (see Ongoing MTW Activity#8), HACSM, upon HUD's approval, has eliminated calculating or including income received from family assets valued less than \$50,000. Additionally, with this change HACSM no longer reports the asset income valued less than \$50,000 to HUD through the HUD-50058.

B. Impact of activity

Baseline (established FY2010)	Benchmark	Metric	FY2012 Outcome
HACSM's quality assurance team (QA) has determined that approximately 9% (34 of 408 files reviewed annually) of all file reviews fail due to errors related to assets, most notably, assets under \$50,000	A 100% reduction in calculation errors due to assets as determined through the quality assurance file review process	HACSM will review the data collected as a result of QA file review process at both before and after implementation of this activity	<i>Benchmark achieved.</i> HACSM saw a 100% reduction in calculation errors due to this activity.

In FY2012, HACSM did not receive any hardship requests from households as a result of this activity.

C. 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.

HACSM has found this activity to be effective in increasing administrative efficiencies.

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

HACSM does not plan on revising the benchmarks or metrics for this activity.

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

HACSM is not planning to revise the data collection or methodology for this activity.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D for this MTW activity.

- G. **Authorization for the approved activity**

The approved activity is authorized in HACSM's MTW Agreement, Attachment C, (D) 1 (c) and (D) 3 (b) which waives certain provisions of Section 8(o)(5) of the 1937 Act and 24 C.F.R. 982.516, and 982 Subpart E.

On-Going MTW Activity #2012.26: Commitment of MTW Funds for leveraging in the creation of additional affordable housing in San Mateo County

A. Activity Description

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

A current example of development that will increase the number of affordable units once it can obtain sufficient development financing is Half Moon Village. HACSM has entered into an Exclusive Negotiations Agreement with Mid-Peninsula Housing Corporation to re-develop Half Moon Village, a 60-unit affordable senior housing property. This re-development, expected to cost approximately \$57 million, includes a multi-faceted approach with other senior service providers to use the existing land to create a senior “campus.” The Half Moon Village portion of the project will consist of 160 new units of affordable housing, an increase of 100 units versus the current 60.

Other partners, on adjacent land comprising the “campus” (separately owned and developed with no Housing Authority financing) will include a broad continuum of care for senior-related services, some of which may include the following, assisted living and hospice services as well as medical and food services. Groundbreaking for the Half Moon Bay Senior Campus is slated for December 2012.

B. Impact of activity

Baseline (established FY2011)	Benchmark	Metric	FY2012 Outcome
HACSM has not previously invested MTW funds in the creation of affordable housing	HACSM will see the creation of at least 20 affordable units per \$1,000,000 invested	HACSM will review the data collected at least annually	As of 6/30/2012, HACSM has committed to lend \$4,000,000 to Mid Peninsula Housing to construct 160 new units. This creates 40 units per \$1 million invested; therefore doubling the indicated benchmark. (Groundbreaking scheduled for 12/2012)

<p>HACSM has expended \$0 annually for affordable units in San Mateo County</p>	<p>Through leveraging of \$4,000,000 MTW funds (or portion thereof), HACSM expects at least 10 times the proportional amount (\$40,000,000 for the full amount) will be available for affordable housing in San Mateo County</p>	<p>HACSM will review the data collected at least annually</p>	<p>The total construction budget is \$65.1 million which equals 16.3 times the proportional amount; therefore exceeding the 10 times benchmark.</p>
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- C. 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.**

HACSM has found this activity to be effective in increasing affordable housing choices in San Mateo County.

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

HACSM does not plan on revising the benchmarks or metrics for this activity.

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

HACSM is not planning to revise the data collection or methodology for this activity.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D for this MTW activity.

- G. Authorization for the approved activity**

The approved activity is authorized in HACSM's MTW Agreement, Second Amendment and Attachment D, which allows for broader use of MTW funds and waives certain provisions of Section 3(b)(2).

On-Going MTW Activity #2012.27: Provider Based Programs

A. Activity Description

In FY2011, HACSM received HUD approval to expand the Section 8 Project-Based Voucher Program (Activity#2011-16). As part of this activity, HACSM proposed to adopt policies surrounding a provider-based program, which is now its own activity as the funding and policies are outside the scope of the voucher program.

The Provider-Based Assistance (PBA) program was designed with the intention to reach populations in San Mateo County who were under-served or not served by voucher program or other special-funded programs (i.e. Shelter Plus Care, Supportive Housing, VASH). Due to the fact that the rental assistance is directly related to the unique services of the Provider-Based program and the supportive service provider's ability to supply the necessary case management services, there is far greater potential for successful graduation, and the ability to serve additional families in their time of greatest need, with greater flexibility and tailored to their specific barriers.

B. Impact of activity

Baseline (established FY2011)	Benchmark	Metric	FY2012 Outcome
1. HACSM has zero units/households under the Provider-Based program 2. HACSM expends zero funds towards the Provider-Based program	1. Increase the number of units/households under the Provider-Based program by approximately 30 units 2. Expend approximately \$300,000 toward the Provider-Based program	1. Compare the number of units/households participating in the Provider-Based program before and after implementation of this activity 2. Compare the amount expended toward the Provider-Based program before and after implementation of this activity	1. Since implementation, 13 households have been assisted under the Provider-Based program. As of 6/30/12, eight households remained active. 2. As of 6/30/12, HACSM expended \$21,015.00 in subsidy payments and \$4,203.00 in supportive services.

In November 2011, HACSM awarded its first PBA contract to CORA (Community Overcoming Relationship Abuse), creating a new way of meeting the housing needs of survivors of domestic violence. The subsidy under this award provides up to three years of rental assistance for 15 households. CORA assist its participants to seek housing in the private market, however CORA staff has seen some challenges in locating affordable units in this tighter housing market, not unlike HACSM's voucher holders.

The second PBA contract was awarded in January 2012 to The Service League of San Mateo County and is targeted to low-level male and female offenders who have been recently released from incarceration. The subsidy under this award provides approximately 18 months rental assistance to 16 households. The

Service League owns its own property; therefore, its participants are placed in existing homes instead of searching for housing in the private market. This model appears to be working well as far as housing placement, but The Service League does report challenges in its case management of the population it serves.

- C. 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**

HACSM has found this activity to be effective in increasing housing choice for families in San Mateo County.

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

HACSM does not plan on revising the benchmarks or metrics for this activity.

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

HACSM does not foresee any changes to the data collection methodology.

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

HACSM did not request, or receive, any additional authorization from Attachment C or D to implement this MTW activity.

- G. Authorization for the approved activity**

The approved activity is authorized under HACSM's MTW Agreement, Attachment D: Uses of Funds.

SECTION VII – Sources and Uses of Funding

A. Planned versus Actual Sources and Uses of MTW Funds

The chart below summarizes the HACSM consolidated MTW Budget and Actuals for Fiscal Year 2012 (July 1, 2011 – June 30, 2012). This chart lists all budget and actual revenues and expenditures for all funding sources that comprise the MTW Block Grant Funds including; Section 9 Operating Funds; Section 9 Capital Funds; and Section 8 Housing Choice Voucher Assistance Payments and Administrative fees.

Consolidated Sources and Uses of MTW Funds				
Fiscal Year Ended June 30, 2012				
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance</u>
				<u>%</u>
Revenue (Sources):				
MTW Program HAP & Admin Fees	63,523,849.00	63,063,236.00	(460,613.00)	-0.73%
Rental Income	0.00	2,784,285.00	2,784,285.00	100.00%
Public Housing Operating Fund	120,000.00	94,348.00	(25,652.00)	-21.38%
Public Housing Capital Fund (A)	290,000.00	549,087.00	259,087.00	89.34%
Investment Income (B)	116,500.00	218,998.00	102,498.00	87.98%
Miscellaneous Income	97,000.00	186,576.00	89,576.00	92.35%
Total Revenue	64,147,349.00	66,896,530.00	2,749,181.00	4.29%
Expense (Uses):				
Administration and General Expense	4,777,616.00	5,815,297.00	1,037,681.00	21.72%
Utilities, Operations and Maintenance	0.00	1,248,342.00	1,248,342.00	100.00%
Provider Based Assistance Payments	528,000.00	25,218.00	(502,782.00)	-95.22%
Housing Assistance Payments	55,832,040.00	54,546,238.00	(1,285,802.00)	-2.30%
Development and Capital Projects	660,000.00	495,690.00	(164,310.00)	-24.90%
Total Expense	61,797,656.00	62,130,785.00	333,129.00	0.54%
Operating Income/(Loss)	2,349,693.00	4,765,745.00		

Explanation of Variances:

The budget amounts assumed the transfer of Midway Village and El Camino Village to the non-profit entity SAMCHAI after demo/dispo. EL Camino Village ultimately was not approved for demo/dispo and the transfer of Midway Village was not accomplished during this fiscal year; consequently, actual revenue and expense significantly varies from budget.

- (A) Actual draw of two years Capital Fund to operations, budget projected one year.
- (B) Investment increases in available cash and rate of return

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

The chart below summarizes the HACSM Consolidated *Non*-MTW Budget and Actuals for Fiscal Year 2012 (July 1, 2011 – June 30, 2012). This chart lists all planned and actual revenue and expenditures for other funds that are not eligible MTW Block Grant funds (including state and local funds).

Consolidated Sources and Uses of NON-MTW Funds			
Fiscal Year Ended June30,2012			
	Budget	Actual	Variance
Revenue (Sources):			
Grants (Shelter Plus Care and Supportive Housing)	3,662,033.00	3,005,866.00	(656,167.00)
Non-MTW HAP and admin fees	5,090,179.00	5,399,738.00	309,559.00
Rental Income	773,100.00	801,648.00	28,548.00
Investment Income	36,004.00	42,152.00	6,148.00
Miscellaneous Income	46,175.00	97,570.00	51,395.00
Total Revenue	9,607,491.00	9,346,974.00	(260,517.00)
Expense (Uses):			
Administration and General Expense	1,196,841.00	1,066,214.00	(130,627.00)
Utilities	57,700.00	79,551.00	21,851.00
Operations and Maintenance	188,635.00	229,002.00	40,367.00
Housing Assistance Payments	7,682,965.00	7,566,801.00	(116,164.00)
Development and Capital Projects	200,000.00	200,650.00	650.00
Total Expense	9,326,141.00	9,142,218.00	(183,923.00)
Operating Income/(Loss)	281,350.00	204,756.00	

B. Planned versus Actual Sources and Uses of State or local funds

The chart below summarizes the HACSM Sources and Uses of State and Local Funds for Fiscal Year 2012 (July 1, 2011 – June 30, 2012). This chart lists all planned and actual revenue and expenditures for other funds that are not eligible MTW Block Grant funds (including state and local funds).

Sources and Uses of State and Local Funds Fiscal Year Ended June 30, 2012			
	Budget	Actual	Variance
Revenue (Sources):			
Rental Income	773,100.00	801,648.00	28,548.00
Investment Income	26,000.00	26,225.00	225.00
Miscellaneous Income	25,325.00	78,295.00	52,970.00
Total Revenue	824,425.00	906,168.00	81,743.00
Expense (Uses):			
Administration and General Expense	347,666.00	413,433.00	65,767.00
Utilities	57,700.00	79,551.00	21,851.00
Operations and Maintenance	188,635.00	224,437.00	35,802.00
Development and Capital Projects	200,000.00	200,650.00	650.00
Total Expense	794,001.00	918,071.00	124,070.00
Operating Income/(Loss)	30,424.00	(11,903.00)	
Reserve Buildup/(Drawdown)			
Net Income/(Loss)			

C. Planned versus Actual Sources and Uses of the COCC

Not applicable

D. If using a cost allocation or fee-for-service approach that is different from the 1937 Act requirements, describe the actual deviations that were made during the Plan year; and

Not applicable

E. List or describe planned vs. actual use of single-fund flexibility

In conjunction with HACSM reserve levels, HACSM has committed funds to several areas as a result of its MTW flexibilities:

1. HACSM has executed a long-term loan agreement for \$4,000,000 with MidPen Housing to construct 160 new units of affordable senior housing in Half Moon Bay (see On-Going Activity #2012.26). Construction of Phase I began in January 2013. The entire complex will be completed in April 2015. The re-programmed funds have been used to leverage additional funding in the amount of \$61.1 million.

2. HACSM utilized its “Broader Use of Funds” flexibility to create the Provider-Based Assistance (PBA) program for survivors 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). The program will expand to a third provider in 2013. HACSM has committed up to \$750,000 for the PBA program for the next three years and would like to expand.

As of 6/30/12, HACSM expended \$21,015 in subsidy payments and \$4,203 in supportive services for the Provider-Based Assistance program. See MTW Activity 2012.27 for more information.

3. In October 2012, HACSM adjusted figures on its Tenant-Based Tiered Subsidy Table (TST) due to rental market increases and monitoring of tenant rent portions. While HACSM will be absorbing the cost of these increases over time, we allowed for approximately \$4,000,000 increase in HAP costs annually.

SECTION VIII – Administrative

- A. Description of progress on the correction or elimination of observed deficiencies cited in monitoring visits, physical inspections, or other oversight and monitoring mechanisms, if applicable.**

HACSM does not have any on-going corrective action plans from any monitoring visits, physical inspections or other oversight or monitoring mechanisms.

- B. Results of latest Agency-directed evaluations of the demonstration, as applicable.**

Not applicable.

- C. Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant, as an attachment to the Report.**

Not applicable – all Capital Fund activities are included in the MTW Block Grant.

- D. Certification that the Agency has met the three statutory requirements.**

See Appendix Four of this report for HACSM's signed certification of compliance.