



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

OFFICE OF PUBLIC AND INDIAN HOUSING

AUG 3 2017

Ms. Katherine Harasz
Executive Director
Housing Authority of the County of Santa Clara
505 West Julian Street
San Jose, CA 95110-2300

Subject: Approval of Housing Authority of the County of Santa Clara and City of San Jose
FY 2018 Annual Moving to Work Plan

Dear Ms. Harasz:

The Department of Housing and Urban Development has completed its review of the Housing Authority of the County of Santa Clara and City of San Jose's (HACSC/HACSJ) FY 2018 Annual MTW Plan, which was initially submitted on April 12, 2017, and resubmitted, per HUD's comments, on July 20, 2017. I am pleased to inform you that HACSC/HACSJ's FY 2018 Annual MTW Plan, as submitted on July 20, 2017, is approved.

While the Department is supportive of HACSC/HACSJ's efforts, this approval does not necessarily constitute an endorsement of any particular policies described in the Plan. In providing assistance to families under programs covered by this Plan, HACSC/HACSJ must comply with the rules, standards and policies established in the Plan. Also, the approved Plan and all required attachments and documents should be available for review and inspection at HACSC/HACSJ's principal office during normal business hours.

Please contact Chris Golden at (202) 402-2413 if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "M. Nazzaro".

Marianne Nazzaro
Moving to Work Program Director
Office of Public Housing Investments

cc:
Gerard Windt, San Francisco Regional Office

Moving to Work (MTW) 2018 Annual Plan

Housing Authorities of the
County of Santa Clara &
City of San José

Submitted April 12, 2017
Revised July 20, 2017



Housing Authority of the County of Santa Clara (HACSC)

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HACSC's mission is to provide and inspire affordable housing solutions to enable low-income people in Santa Clara County to achieve financial stability and self-reliance.

TABLE OF CONTENTS

| | |
|--|-----------|
| Board of Commissioners | 2 |
| Executive Management Team | 2 |
| I. INTRODUCTION | 4 |
| II. GENERAL HACSC OPERATING INFORMATION | 11 |
| III. PROPOSED MTW ACTIVITIES (HUD Approval Requested) | 16 |
| IV. APPROVED MTW ACTIVITIES (HUD Approval Previously Granted) | 34 |
| IMPLEMENTED ACTIVITIES..... | 34 |
| ACTIVITIES NOT YET IMPLEMENTED | 41 |
| ACTIVITIES ON HOLD..... | 43 |
| CLOSED OUT ACTIVITIES | 44 |
| V. MTW SOURCES AND USES OF FUNDS | 46 |
| VI. ADMINISTRATIVE | 50 |
| APPENDIX ONE: RESOLUTION NO. 17-02..... | 51 |
| APPENDIX TWO: CAPITAL IMPROVEMENT PROGRAM STATEMENTS | 57 |

I. INTRODUCTION

Purpose of this Plan

In 1967, the Santa Clara County Board of Supervisors established the Housing Authority of the County of Santa Clara (HACSC). HACSC has an agreement with the City of San José to administer and manage the Housing Authority of the City of San José (HACSJ)'s Housing Choice Voucher program. This MTW Plan presents a consolidated strategy to be implemented for both the County and City programs.

In 2008, HACSC entered into a 10-year agreement (which has been extended until the conclusion of Fiscal Year 2028) with the Department of Housing and Urban Development (HUD) to become a Moving to Work (MTW) agency. This MTW Annual Plan illustrates how HACSC proposes to carry out the MTW program in Fiscal Year 2018 (FY2018) from July 1, 2017 through June 30, 2018. The MTW Plan is an annual requirement by HUD and systematically describes how each activity advances HACSC's vision and goals within the framework of the MTW charter.

What is MTW?

Established by Congress in 1996, MTW is a Federal demonstration program that links broad Federal goals with locally-designed initiatives. MTW encourages select housing authorities to propose and, upon HUD approval, implement innovative changes to the way affordable housing programs are administered in order to meet at least one of the following three broad Federal goals:

1. Decrease administrative costs and increase cost effectiveness in housing program operations,
2. Promote participants' economic self-sufficiency, and
3. Expand participants' housing choices.

MTW requires HACSC to strive for these goals while ensuring that the Agency continues to serve substantially the same mix of tenants (in terms of income level and family size) and at least as many households as the Agency had before its MTW status.

HACSC's Vision and Goals

In FY2014, HACSC developed a five-year Strategic Plan to guide the Agency's direction over the long range. The Strategic Plan affirmed HACSC's mission to provide and inspire affordable housing solutions that enable low-income people in Santa Clara County to achieve financial stability and self-reliance, identified the Agency's core values, and established HACSC's short-term and long-term goals built upon MTW objectives.

Using the Strategic Plan as a compass, HACSC is pursuing strategies within FY2018 and beyond that will set the foundation for the Agency to fulfill its MTW and non-MTW long-term goals.

HACSC's Short-Term Goals and Proposed MTW Activities for Fiscal Year 2018

During the last several years, HACSC has been engaged in developing a set of policies that will guide the agency in how best to allocate its scarce resources in the coming years. HACSC engaged its stakeholders, through the Housing Resources and Voucher Allocation Policy (HRVAP) public process, to contribute input on a range of program topics that informed HACSC's development of policies that will guide the allocation of its MTW resources. The range of topics included: payment and subsidy standards, waiting list management, serving special needs populations, Project Based Vouchers and overall voucher and funding utilization. Through the HRVAP process, HACSC has created and finalized new policies, focused on the aforementioned topics, and continues to work with community partners on other objectives identified through the HRVAP process.

One of the objectives identified by the community through the HRVAP process was that HACSC should serve other special needs populations (SNPs) in addition to the chronically homeless (currently served through MTW Activity 2009-5) that are not best served through a waiting list process. In response to the community input, HACSC developed MTW Activity 2017-2, the Special Needs Population Direct Referral Program. In FY2018, HACSC plans to finalize the SNP Direct Referral Program policy, in partnership with Santa Clara County's Office of Supportive Housing, and begin administering assistance to clients.

HACSC's Human Resources Department and Training and Outreach team continue to facilitate internal trainings focused on professional development (i.e. communication skills, emotional intelligence, etc) and how to effectively administer the Section 8 program in compliance with HUD regulations. Also, the Training and Outreach team has developed an annual calendar that includes monthly Tenant Housing Search Workshops and Section 8 Owner Information Sessions, which have created an overall improvement in how we communicate essential program information to major stakeholders. Furthermore, HACSC's Compliance Team, created in April 2015, monitors and evaluates the agency's federal programs, ensuring staff and program participant compliance with applicable program rules and regulations.

HACSC's affordable housing Development team continues work on the Park Avenue property, which was purchased with MTW funds. The agency is constructing two new affordable housing projects: Park Avenue Senior Apartments and Laurel Grove Apartments. Park Avenue Apartments will provide 100 units of senior housing and Laurel Grove will provide 82 units of family housing on a two-acre site in downtown San José immediately adjacent to a public transportation hub for light rail, trains and buses. Construction for Laurel Grove began in June 2016, and the property is expected to start leasing in the summer of 2018—and construction for Park Avenue started in December 2016, and leasing should begin in the winter of 2018.

HACSC's Information Technology and Facilities Department is striving to improve the agency's efficiency. In FY2018, the Department will be implementing an agency intranet to improve collaboration and communication within the agency, consolidating aging single-purpose printers, copiers and fax machines into new high speed, lower cost multi-function devices to improve productivity, and offering housing clients the option to sign forms electronically to reduce process times.

Lastly, a major priority for HACSC this year is to ensure that the Housing Choice Voucher (HCV) program continues to operate in an effective way. HACSC is re-proposing three activities, and proposing two activities that focus on increasing housing choices and economic self-sufficiency for low-income families.

The following activities are proposed in Section III of this MTW Plan:

- *Re-Proposed Activity 2014-1a: Focus Forward Part I--Case Management, Incentives and Escrow.* The Focus Forward Program (FFP) is an expanded version of the traditional FSS program, and will support HCV participants in increasing and sustaining a higher level of self-sufficiency. Originally proposed in the FY2014 MTW Plan, HACSC is re-proposing the FFP with a more robust case management and ongoing program-incentives component. The enhanced FFP will promote accountability and motivate participants to pursue higher education, develop 21st century job skills and set/achieve realistic self-sufficiency goals.
- *Proposed Activity 2014-1b: Focus Forward Part II, Time Limit and Rent Structure.* Families that are currently on the HACSC waiting list will have the option to enroll in the FFP, with the condition that their assistance will have a ten-year time limit. In addition to the ten-year time limit, and to prepare participants for transitioning off of assistance, HACSC has designed an alternative rent calculation for the FFP in which participants will take on more fiscal responsibility for their rental payments as they progress through the program.
- *Re-Proposed Activity 2017-3: Landlord Initiatives.* This activity was created as a means to encourage owners to re-rent their vacant units to new HCV voucher holders. HACSC will request to modify the HCV vacancy payment process and administer flat rate payments as opposed to mirroring the Project Based Voucher (PBV) vacancy payment process (80 percent of the contract rent for up to 30 days), in an effort to streamline the HCV vacancy payment process.
- *Proposed Activity 2018-1: Strengthen Community Partnerships through Capacity Building.* HACSC will use MTW funds to support community partners in building capacity in support of the FFP. This funding will enable community partners to build additional capacity in areas that promote client self-sufficiency, such as job readiness and higher education, expanding their ability to serve both HACSC and non-HACSC participants.

HACSC's Long-Term Vision

HACSC continues to focus on its vision and core values, as guided by its five-year Strategic Plan. Every six months, HACSC reports to its Board the progress on the action items and objectives developed from the Agency's Strategic Plan Goals. These updates encourage the agency to re-

prioritize or revise the objectives of the Plan as necessary and provide a status report to both internal and external stakeholders on how HACSC's initiatives align with the Strategic Plan.

In support of the Strategic Plan goal to increase the supply of affordable housing in Santa Clara County, since October 2015, HACSC has conditionally awarded a total of 673 Section 8 PBVs (all new construction properties), and 74 Veterans Affairs Supportive Housing PBVs.

HACSC will continue to preserve and improve its existing housing portfolio and expand the availability of new affordable housing to meet community needs. HACSC has created a pool of non-federal funds to continue the preservation and rehabilitation of existing HACSC-managed units. HACSC will continue to look for other opportunities to invest in new housing opportunities within the County.

In addition to fostering growth in affordable housing, HACSC's Information Technology and Facilities Department is focused on implementing a space planning effort, which will maximize the use of employee work stations, meeting rooms, client meeting areas, public spaces and the overall use of HACSC's office building. The emphasis on space planning will ensure that HACSC staff operate in an optimal work environment that will enhance how services are administered to clients.

OVERVIEW OF HACSC’S MTW ACTIVITIES

Note: Closed out activities 2009-3, 2009-4, 2009-6, 2009-7, 2009-10, 2009-12, 2010-1, 2012-1, and 2015-1 are not shown.

| ACTIVITY # (PLAN YEAR PROPOSED + ACTIVITY #) | ACTIVITY | MTW STATUTORY OBJECTIVES | | |
|---|---|---|--|--|
| | | REDUCE COST AND ACHIEVE GREATER COST EFFECTIVENESS IN FEDERAL EXPENDITURES | PROVIDE INCENTIVES TO FAMILIES LEADING TOWARD ECONOMIC SELF SUFFICIENCY | INCREASE HOUSING CHOICES FOR LOW- INCOME FAMILIES |
| IMPLEMENTED ACTIVITIES | | | | |
| 2009-1 (amended in FY2016) | Reduced Frequency of Tenant Reexaminations | X | X | |
| 2009-2 | Expediting the Initial Eligibility Income Verification Process | X | | |
| 2009-5 | Exploring New Housing Opportunities for the Chronically Homeless | | | X |
| 2009-8 | 30-Day Referral Process for Project- based Vacancies | X | | |
| 2009-9 | Utilization of Low Income Housing Tax Credit (LIHTC) Tenant Income Certification (TIC) for Income and Asset Verification | X | | |
| 2009-11 | Project-Base 100 Percent of Units in Family Projects | | | X |
| 2009-13 | Combined Waiting Lists for the County of Santa Clara and the City of San José | X | | |
| 2009-14 (amended in FY2014) | Payment Standard Changes Between Regular Reexaminations | X | | |
| 2010-2 | Excluding Asset Income from Income Calculations for Families with Assets Under \$50,000 | X | | |
| 2010-3 | Applying Current Increased Payment Standards at Interim Reexaminations | X | | |
| 2010-4 | Allocating Project-Based Vouchers to HACSC-Owned Projects Without Competition | X | | |
| 2010-5 | Assisting Over-Income Families Residing at HACSC-owned Project- Based Voucher Properties | | | X |

HACSC MTW Annual Plan FY2018

| ACTIVITY # (PLAN YEAR PROPOSED + ACTIVITY #) | ACTIVITY | MTW STATUTORY OBJECTIVES | | |
|---|---|---|--|--|
| | | REDUCE COST AND ACHIEVE GREATER COST EFFECTIVENESS IN FEDERAL EXPENDITURES | PROVIDE INCENTIVES TO FAMILIES LEADING TOWARD ECONOMIC SELF SUFFICIENCY | INCREASE HOUSING CHOICES FOR LOW- INCOME FAMILIES |
| 2011-1 | Streamlined Approval Process for Exception Payment Standard for Reasonable Accommodation – HCV | | | X |
| 2011-2 | Simplify Requirements Regarding Third-party Inspections and Rent Services | X | | |
| 2012-2 | Minimum Two-year Occupancy in Project-Based Unit | X | | |
| 2012-3 | Create Affordable Housing Acquisition and Development Fund | X | | X |
| 2012-4 | Create Affordable Housing Preservation Fund for HACSC- and Affiliate-owned Properties | X | | X |
| 2012-5 | Expand Tenant Services at HACSC- or Affiliate-owned Affordable Housing Properties | | X | |
| 2013-1 | Elimination of the Earned Income Disallowance (EID) Calculation | X | | |
| 2014-1 | Focus Forward Program | | X | |
| 2014-2 | Eliminate Requirement to Re-Determine Rent Reasonableness when HUD Decreases Fair Market Rents (FMRs) | X | | |
| 2014-3 | Freeze on Contract Rent Increases | X | | |
| 2014-4 (amended in FY2015) | Increased Tenant Contribution—Up to 35 Percent of Gross Income | X | | |
| 2015-2 | Project-Based Voucher Inspection Self- Certification | X | | |
| 2015-3 | Modified Elderly Definition for PBV | | | X |
| 2016-1 | Restriction on Head of Household Changes | | X | |
| 2016-2 | Streamlining of PBV Competitive Selection Requirements | X | | |
| 2017-1 | Phasing in the Subsidy Standard Change | X | | |
| 2017-2 | Special Needs Population Direct Referral Program | | | X |

| ACTIVITY # (PLAN YEAR PROPOSED + ACTIVITY #) | ACTIVITY | REDUCE COST AND ACHIEVE GREATER COST EFFECTIVENESS IN FEDERAL EXPENDITURES | PROVIDE INCENTIVES TO FAMILIES LEADING TOWARD ECONOMIC SELF SUFFICIENCY | INCREASE HOUSING CHOICES FOR LOW- INCOME FAMILIES |
|---|---|---|--|--|
| 2017-3 | Landlord Initiative | | | X |
| 2017-4 | Setting Payment Standards Above 110 Percent of HUD Fair Market Rents | | | X |

II. GENERAL HACSC OPERATING INFORMATION

| II.1.Plan.HousingStock | | | | | | | | | | | |
|--|-------------------------------|---|-------------------------|---|---|---|----|-------------|-------------------|------------------|-----------|
| A. MTW Plan: Housing Stock Information | | | | | | | | | | | |
| Planned New Public Housing Units to be Added During the Fiscal Year | | | | | | | | | | | |
| AMP Name and Number | Bedroom Size | | | | | | | Total Units | Population Type * | # of UFAS Units | |
| | 0 | 1 | 2 | 3 | 4 | 5 | 6+ | | | Fully Accessible | Adaptable |
| PIC Dev. # /AMP PIC Dev. Name | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | 0 | 0 |
| PIC Dev. # /AMP PIC Dev. Name | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | 0 | 0 |
| PIC Dev. # /AMP PIC Dev. Name | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | 0 | 0 |
| PIC Dev. # /AMP PIC Dev. Name | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | 0 | 0 |
| Total Public Housing Units to be Added | | | | | | | | N/A | | | |
| * Select Population Type from: Elderly, Disabled, General, Elderly/Disabled, Other | | | | | | | | | | | |
| If Other, please describe: N/A | | | | | | | | | | | |
| Planned Public Housing Units to be Removed During the Fiscal Year | | | | | | | | | | | |
| PIC Dev. # / AMP and PIC Dev. Name | Number of Units to be Removed | | Explanation for Removal | | | | | | | | |
| PIC Dev. # /AMP PIC Dev. Name | 0 | | N/A | | | | | | | | |
| PIC Dev. # /AMP PIC Dev. Name | 0 | | N/A | | | | | | | | |
| PIC Dev. # /AMP PIC Dev. Name | 0 | | N/A | | | | | | | | |
| Total Number of Units to be Removed | | 0 | | | | | | | | | |

| New Housing Choice Vouchers to be Project-Based During the Fiscal Year | | | |
|--|--|--|--------------|
| Property Name | Anticipated Number of New Vouchers to be Project-Based * | Description of Project | |
| Met South | 10 | Family, new construction project, consisting of 31 units (9 studios, 8 1-bedroom, 5 2-bedroom, and 9 3-bedroom units). PBV units are for seniors and large families. | |
| Morgan Hill Family - Scattered Site | 40 | Family, new construction project, consisting of 41 units (6 1-bedroom, 23 2-bedroom, and 12 3-bedroom units). PBV units are for large families, homeless and chronically homeless families. | |
| Laurel Grove Family Apartments | 81 | Family, new construction project, consisting of 82 units (14 1-bedroom, 43 2-bedroom, and 25 3-bedroom units). PBV units are for families and to be identified special needs and/or chronically homeless families. | |
| Second Street Studios | 134 | Family, new construction project, consisting of 135 units (128 studios, 6 1-bedroom, and 1 2-bedroom units). PBV units are for chronically homeless families. | |
| Anticipated Total New Vouchers to be Project-Based | 265 | Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year | 1,632 |
| | | Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year | 1,632 |

*New refers to tenant-based vouchers that are being project-based for the first time. The count should only include agreements in which a HAP agreement will be in place by the end of the year.

| Other Changes to the Housing Stock Anticipated During the Fiscal Year | |
|---|--|
| In FY2018, due to unforeseen delay, HACSC anticipates the completion and project-basing of 16 units at Vermont House through the PBV-VASH program for veterans. | |
| N/A | |
| N/A | |

Examples of the types of other changes can include but are not limited to units that are held off-line due to the relocation of residents, units that are off-line due to substantial rehabilitation and potential plans for acquiring units.

| |
|--|
| General Description of All Planned Capital Fund Expenditures During the Plan Year |
| HACSC doesn't plan to undertake any capital projects in FY2018. |

TTD:
LP's/1
Supp

II.2.Plan.Leasing

B. MTW Plan: Leasing Information

Planned Number of Households Served at the End of the Fiscal Year

| MTW Households to be Served Through: | Planned Number of Households to be Served* | Planned Number of Unit Months Occupied/ Leased*** |
|---|--|---|
| Federal MTW Public Housing Units to be Leased | 4 | 48 |
| Federal MTW Voucher (HCV) Units to be Utilized | 16,671 | 200,052 |
| Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs ** | 252 | 3,024 |
| Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs ** | 0 | 0 |
| Total Households Projected to be Served | 16,927 | 203,124 |

* Calculated by dividing the planned number of unit months occupied/leased by 12.
 ** In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/households to be served, the PHA should estimate the number of households to be served.
 *** Unit Months Occupied/Leased is the total number of months the PHA has leased/occupied units, according to unit category during the fiscal year.

Reporting Compliance with Statutory MTW Requirements

If the PHA has been out of compliance with any of the required statutory MTW requirements listed in Section II(C) of the Standard MTW Agreement, the PHA will provide a narrative discussion and a plan as to how it will return to compliance. If the PHA is currently in compliance, no discussion or reporting is necessary.

Not applicable.

| Description of any Anticipated Issues Related to Leasing of Public Housing, Housing Choice Vouchers and/or Local, Non-Traditional Units and Possible Solutions | |
|--|---|
| Housing Program | Description of Anticipated Leasing Issues and Possible Solutions |
| Federal MTW Public Housing Units | HACSC does not anticipate any issues related to the leasing of these units |
| Housing Choice Voucher (HCV) | HCV program applicants and participants are experiencing challenges in finding suitable housing. Santa Clara County is one of the most expensive areas in the country for rental housing market, and rents continue to increase every year. The average rents are substantially higher than the area's HUD Fair Market Rents (FMRs) and the current vacancy rate for the County is less than three percent. In FY2017, HACSC continued an intensive owner recruitment and retention program and instituted tenant housing search workshops. Also, HACSC raised its payment standards to 110% of the FMRs, and received HUD approval to go up to 130 percent of the FMRs, if needed. |
| Federal MTW Non-Traditional Activities | HACSC did not have any issues associated with leasing these units |

| II.3.Plan.WaitList | | | | |
|--|------------------|-----------------------------------|---|--|
| C. MTW Plan: Wait List Information | | | | |
| Wait List Information Projected for the Beginning of the Fiscal Year | | | | |
| Housing Program(s) * | Wait List Type** | Number of Households on Wait List | Wait List Open, Partially Open or Closed*** | Are There Plans to Open the Wait List During the Fiscal Year |
| Federal MTW Public Housing Units | Site Based | 750 | Closed | No |
| Federal MTW Housing Choice Voucher Program | Program Specific | 17,647 | Closed | No |
| Project-Based Local, Non-Traditional MTW Housing Assistance Program | Site Based | 6,508 | Closed | No |

Rows for additional waiting lists may be added, if needed.

* *Select Housing Program* : Federal MTW Public Housing Units; Federal MTW Housing Choice Voucher Program; Federal non-MTW Housing Choice Voucher Units; Tenant-Based Local, Non-Traditional MTW Housing Assistance Program; Project-Based Local, Non-Traditional MTW Housing Assistance Program; and Combined Tenant-Based and Project-Based Local, Non-Traditional MTW Housing Assistance Program.

** *Select Wait List Types* : Community-Wide, Site-Based, Merged (Combined Public Housing or Voucher Wait List), Program Specific (Limited by HUD or Local PHA Rules to Certain Categories of Households which are Described in the Rules for Program Participation), None (If the Program is a New Wait List, Not an Existing Wait List), or Other (Please Provide a Brief Description of this Wait List Type).

*** For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open.

N/A

If Local, Non-Traditional Housing Program, please describe:

HACSC used MTW funds for the development of Ford and Monterey Apts.-4,215 on WL, and the rehabilitation of Clarendon-1,380 on WL, and Bendorf-913 on WL.

If Other Wait List Type, please describe:

N/A

If there are any changes to the organizational structure of the wait list or policy changes regarding the wait list, provide a narrative detailing these changes.

None

III. PROPOSED MTW ACTIVITIES (HUD Approval Requested)

This section describes the new MTW activities that HACSC proposes to implement in FY2018.

Focus Forward Pilot Program Part I, Case Management, Incentives and Escrow (Re-proposed Activity 2014-1a)

DESCRIPTION OF MTW ACTIVITY

HACSC is requesting to re-propose MTW Activity 2014-1, the Focus Forward Program (FFP). HACSC originally proposed the FFP as a pilot program that would serve as an alternative to the HUD Family Self Sufficiency (FSS) Program. Though this activity was approved, HACSC was not able to implement it because the revised tenant rent calculation method envisioned for FFP enrollees was in conflict with MTW activity 2014-4 that changed the tenant rent calculation method for all HCV program participants. Changing the FFP rent calculation would require a re-proposal of the activity to HUD. HACSC used this opportunity to review all components of the program and change them, if necessary. In this plan, HACSC is splitting the proposed FFP into two activities that describe different elements of the program; one encompassing the case management, and incentives of the program, including escrow (MTW activity 2014-1a); and the second, encompassing program time limits and the alternative rent structure for FFP participants (MTW activity 2014-1b).

In December 2015, HACSC contracted with the consulting firm, Resource Development Associates (RDA) to help in the redesign and re-proposal of the FFP. RDA was selected based on their expertise in strategic planning, program development, community engagement and familiarity with social service programs in Santa Clara County. HACSC, in partnership with RDA, initiated an engagement process to conduct an assessment of existing FSS program best practices. The assessment included researching other MTW agencies, engaging current and former FSS participants and other stakeholders (i.e. non-profits, social service agencies, etc) to inform program development. Additionally, a series of program planning meetings were held with an internal HACSC workgroup.

HACSC is proposing a pilot FFP to support Housing Choice Voucher recipients, with an emphasis on increasing self-sufficiency through providing comprehensive services, incentives and a streamlined escrow calculation that promote accountability and motivate program participants to increase their earned income potential. In this activity, HACSC is requesting to waive FSS regulations and HUD-prescribed FSS forms¹, in order to provide program participants with adequate case management services, monetary incentives for achievements and a simplified escrow calculation.

¹ If HACSC applies for and receives FSS funding that requires the use of certain FSS forms, HACSC will honor the mandates of the funding.

Enhanced Case Management Services

One major complaint from housing authorities regarding the traditional FSS Program is the lack of capacity and expertise to administer the program. Upon approval and implementation of the pilot FFP, HACSC will solicit an outside case management provider to deliver assistance centered around building supportive relationships, engaging in proactive problem solving to remove barriers to self-sufficiency, and taking a comprehensive approach to supporting HCV recipients and their families. Throughout the program, case managers will have an ongoing responsibility to support participants as they set and achieve program goals.

HACSC recently completed a random survey of 1,500 of its MTW program participants regarding their need for job training, education, child care, finance/ life skills classes and other resources. Over 500 persons responded. Using the results of the survey, HACSC will enhance relationships with its established partners and seek new partners to collaborate in addressing identified needs. Case managers will provide linkages to essential services, in an effort to connect participants to services that will increase self-sufficiency. The pilot FFP will enroll up to 200 participants, with an approximate 1:30 case manager to participant ratio. Case manager's tasks will include, but not be limited to:

1. Promoting skill development, such as job training or education;
2. Removing barriers to self-sufficiency, such as lack of child care, limited English proficiency and lack of reliable transportation, and;
3. Providing referrals to resources, such as: workshops, classes and services that will promote skill development in areas such as budgeting, credit repair, and family care;
4. Scheduling routine check-in meetings to track and promote accountability in a participant's progress towards achieving their self-sufficiency goals.

Participation Incentives

HACSC is requesting exemption from HUD FSS Escrow Account regulations regarding the calculation, distribution, and forfeiture of escrow account funds to provide participation incentives in addition to graduation bonuses. HACSC's pilot FFP program design extends the awards a participant can receive past the traditional "end goal" of escrow, a structure that has presented challenges to long-term engagement of participants. Many of HACSC's families are experiencing great financial need and have limited financial education and may not feel capable of reaching a long-term savings goal that increases their expenses in the short term. Smaller, earlier, and more frequent incentives will give families the opportunity to experience successes and rewards while still on the path toward self-sufficiency. These "early wins" also encourage continued engagement. The FFP incentives will relate to the level of effort, and grow as the FFP participant achieves self-sufficiency goals during the program.

Examples of interim incentives the FFP would offer participants are small monetary awards for completing a General Equivalency Diploma, receiving a promotion in employment, or improving

a credit score. The incentive rewards will increase in value related to the level of effort required to reach program milestones or goals created in self-sufficiency plans. For example, a \$50 department store gift card may be awarded to a participant who completes the intake assessment survey required during the FFP enrollment phase, \$500 dollars in cash to a participant who submits at least ten resumes to full-time employers or \$1,200 in cash may be awarded to a participant who graduates from General Assistance or a cash aid program. HACSC also wants to use MTW funds to develop an educational scholarship program that provides financial assistance for FFP and other Section 8 participants who are enrolled/enrolling in higher education. Scholarships would be offered annually and potential students would be required to demonstrate their need when applying for the scholarships. HACSC may award up to \$50,000 dollars (a program-wide total) in participant scholarship awards annually.

HACSC also seeks HUD approval to use small amounts of MTW funds to help fund cost barriers for FFP participants to reach their self-sufficiency goals when there are no similar resources available in the community. Examples of expenses that can be covered may include the cost of an employment uniform and transportation passes. A maximum distribution cap of \$1,000 per year would also apply for these funds. HACSC may award up to \$10,00 dollars in cost barrier scholarship funds annually.

| Possible Examples of Monetary Incentive | |
|---|--|
| <i>Rewards relate to the level of effort required to reach program milestones and complete ITSP goals</i> | |
| <i>Incremental Monetary Incentives</i> | |
| \$25 gift card (Target, Safeway, or Clipper) | ❖ Complete the intake needs assessment |
| \$50 gift card | ❖ Complete the ITSP |
| \$200 cash or gift card | ❖ Complete all the financial literacy course requirements ❖ Complete a resume ❖ Prepare a household budget |
| \$500 cash | ❖ Submit ten resumes to potential full-time employers ❖ Receive a certificate of successful completion of a parenting class |
| \$800 cash | ❖ Complete a GED or ESL courses ❖ Obtain a full-time job |
| \$1,000 cash | ❖ Complete an advanced degree ❖ Retain full-time employment for six months ❖ Improve credit score |

| | |
|--|---|
| \$1,200 cash | <ul style="list-style-type: none"> ❖ Receive health benefits from an employer ❖ Graduate from cash aid or GA ❖ Establish a savings or retirement account |
| <i>Proposed Scholarship Monetary Incentives</i> | |
| Up to \$50,000 (program-wide) annually in scholarship awards | <ul style="list-style-type: none"> ❖ Higher Education Scholarship Fund |
| \$1,000 cash | <ul style="list-style-type: none"> ❖ Cost Barrier Scholarship |

FFP Escrow Calculation

During the engagement process, HACSC found that participants of FSS generally do not understand the current calculation method for accumulating funds in their escrow account. HACSC is proposing to revise and simplify the escrow calculation for the pilot FFP. At the successful completion of each program year, the participant will receive \$2,000 in their escrow account. The escrow account will be a flat payment and will not grow interest over time. A successful program year would require the participant to do one or more of the following: maintain communication with the case manager and work toward meeting their goals as outlined in their self-sufficiency plan, increase earned income, or to be enrolled full-time in college.

Because FFP will also provide smaller, earlier, and more frequent incentives, plus access to additional monetary assistance through the scholarship program, HACSC will cap the maximum escrow to \$20,000 per graduate. HUD research states that FSS graduates have an average escrow balance at the time of graduation of about \$5,300.² The FFP escrow is almost four times the average award granted through the traditional FSS program and would be a great incentive to households to graduate from the program. FFP participants will be able to access the escrow account at the end of their ten year term or early graduation. One escrow account will be established and awarded per FFP participant household.

RELATION TO STATUTORY OBJECTIVES

This activity directly relates to the statutory objective of encouraging economic self-sufficiency. Through the FFP, participants are provided resources and incentives that will encourage them to increase their income and meet self-sufficiency goals and eventually graduate from housing assistance.

ANTICIPATED IMPACT OF THE ACTIVITY

HACSC believes the combination of case management, setting realistic timelines for goal completion and the built-in monetary incentives will provide the pilot FFP with the necessary tools to encourage income growth that will lead to long-term improvements in a household’s economic self-sufficiency. HACSC estimates that there will be a significant increase in the percent

² U.S. Department of Housing and Urban Development, Office of Policy Development and Research. *Evaluation of the Family Self- Sufficiency Program:Prospective Study* (2011), 32.

of program participants who increase their income and overall ability to be self-sufficient under the FFP as compared to the FSS Program.

ANTICIPATED SCHEDULE FOR ACHIEVING THE STATED OBJECTIVES

Upon approval, in FY2018, HACSC will conduct further pilot FFP policy development, select a case management provider, and begin outreach to prospective participants. HACSC anticipates that the pilot FFP will be implemented in FY2019, pending final congressional appropriations funding levels are adequate to support the program. Because this is a pilot program in which participants will receive services for ten years, HACSC will monitor the program’s success annually, but plans to see the full results from this activity ten years after implementation.

PROPOSED BASELINES, BENCHMARKS, METRICS and DATA COLLECTION

HACSC plans to compile and analyze data from FFP case managers’ client notes and its participant database, Emphasys Elite, to report on the HUD standardized metrics below.

| Activity 2014-1a: Focus Forward Part I—Case Management, Incentives and Escrow | | | | |
|---|-----------|------------|---------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| CE# 1: Agency Cost Savings | | | | |
| Total cost of task in dollars (decrease). | 0 | 0* | | |
| CE# 2: Staff Time Savings | | | | |
| Total time to complete the task in staff hours (decrease). | 0 | 0* | | |
| CE# 3: Decrease in Error of Task Execution | | | | |
| Average error rate of completing a task as a percentage (decrease). | 0 | 0* | | |
| CE# 5: Increase in Agency Rental Revenue | | | | |
| Rental revenue in dollars (increase). | 0 | 0* | | |
| SS #1 : Increase Household Income | | | | |
| Average earned income of households affected by this policy in dollars (increase). | \$24, 278 | \$24,278** | | |
| SS #2: Increase in Household Savings | | | | |
| Average amount of savings/escrow of households affected by this policy in dollars (increase). | \$2,000 | \$2,000 | | |
| SS#3: Increase in Positive Outcomes in Employment Status | | | | |
| Number of Head of Households employed | 119 | 119 | | |
| Number of Head of Households employed full-time (increase). | 67 | 67 | | |
| Number of Head of Households employed part-time (increase). | 52 | 52 | | |
| Number of Head of Households enrolled in an educational program (increase) | 8 | 8*** | | |
| Number of Head of Households enrolled in job training program (increase). | 4 | 4*** | | |

| | | | | |
|---|----------|----------|--|--|
| Number of Head of Households unemployed (decrease). | 42 | 81 | | |
| Number of Head of Households in Other Category (ex: receiving TANF, SSI, Child Support, General Assistance, etc.) (decrease). | 36 | 29 | | |
| SS # 4: Households Removed from Temporary Assistance for Needy Families (TANF) | | | | |
| Number of households receiving TANF assistance (decrease). | <u>0</u> | <u>0</u> | | |
| SS# 5: Households Assisted by Services that Increase Self Sufficiency | | | | |
| Number of households receiving services aimed to increase self sufficiency (increase). | 175 | 200 | | |
| SS#6: Reducing Per Unit Subsidy Costs for Participating Households | | | | |
| Average amount of Section 8 subsidy per household affected by this policy in dollars (decrease) | 0 | 0**** | | |
| SS#7: Increase in Agency Rental Revenue | | | | |
| PHA rent revenue in dollars (increase) | 0 | 0**** | | |
| SS #8: Households Transitioned to Self-Sufficiency | | | | |
| Number of households transitioned to self-sufficiency (increase)***** | 0 | 0 | | |

*HACSC does not anticipate labor and cost savings during the first year of the FFP as it will be the initial implementation phase of the program.

**HACSC expects that participants will experience no appreciable increase to their income during year 1 of the program, however, will be able to increase their income to 80 percent of the AMI by program year 10 or graduation.

***Year 1 of the FFP will be focused on helping participants enroll and create self-sufficiency goals, obtain employment, financial stability, and vocational skills.

****Self-sufficiency is defined as a household who leaves housing assistance voluntarily or whose income is equal to or greater than 80 percent of the AMI. HACSC does not anticipate participants will transition to self-sufficiency in year 1 of the FFP.

AUTHORIZATION FOR THE ACTIVITY

This proposed activity is authorized in HACSC’s Moving To Work Agreement, Attachment C, Paragraph E. and waives certain provisions of Section 23 of the 1937 Act and 24 CFR 984, as necessary to implement HACSC’s MTW Plan. This authorization is needed to allow HACSC to provide participation incentives in addition to graduation bonuses, simplify the escrow calculation and to issue MTW funds to create a scholarship that will help FFP participants to reach self- sufficiency.

RENT REFORM IMPACT ANALYSIS, HARDSHIP CASE CRITERIA, ANNUAL REEVALUATION AND TRANSITION PERIOD

This activity does not qualify as a rent reform initiative.

Focus Forward Part II, Time Limit and Rent Structure
(Proposed Activity 2014-1b)

DESCRIPTION OF MTW ACTIVITY

As described in the re-proposal of MTW Activity 2014-1a, Focus Forward Program (FFP), HACSC is requesting to use its MTW designation to implement a pilot family self-sufficiency program that is tailored to meet the needs of Santa Clara County participants. HACSC decided to split FFP into two MTW activities; one encompassing the case management, and incentives of the program, including escrow (MTW activity 2014-1a), and the second, encompassing the time limits and rent structure of the program (MTW activity 2014-1b). The FFP will be a pilot program, therefore the proposed rent calculation structure may be more likely to be revised and re-proposed in the future, as initial data of the pilot program is received. For this reason, HACSC separated the time-limit and rent structure aspect of the program so that if it is re-proposed in the future, the services and incentives provided to FFP participants can continue without interruption.

In this activity, HACSC is requesting approval for the pilot FFP to be a voluntary 10 year time-limited self-sufficiency program open to all head of households on the HACSC waiting list. If an applicant on the HACSC waiting list volunteers to participate in the FFP, they will move to the top of the waiting list. The applicant will elect to join this program with the understanding that FFP participants will receive housing assistance only during their 10 year participation in the program. The ten year window provides participants with the opportunity to achieve their individualized goals with the highest degree of available services—and allows the Housing Authority to assist more families in need in the County’s tight housing market. Applicants, even if elderly and disabled, who volunteer to participate in FFP will go through an extensive outreach and enrollment process in which requirements of the program will be explained. If after the enrollment process, an applicant believes they will not be able to participate and comply with all requirements of the FFP, they will have the option to quit the program and return to their original spot on the HACSC waiting list.

During the pilot stage of the FFP, households that are not already on the waiting list and Section 8 participants currently receiving housing assistance from HACSC will be ineligible. However, HACSC will continue its Family Self-Sufficiency program until families currently enrolled are graduated. If enrollment of the pilot FFP does not reach capacity, HACSC may open its Housing Choice Voucher waiting list specifically targeting applicants who are interested in enrolling in the ten year time-limited FFP program. HACSC recognizes there may be other families that would benefit from the FFP and will evaluate the opportunity for program expansion at the end of the pilot period.

In addition, HACSC is proposing to implement a Stepped Subsidy rent calculation that will require participants to take on more fiscal responsibility for their rental payments as they progress through the program. The increase in responsibility for the rental payment is intended to prepare participants for graduation from the program and from housing assistance as they reenter the open rental market.

The Stepped Subsidy rent calculation will be presented to applicants prior to entering the FFP and will be part of the terms of the program contract. However, the Stepped Subsidy schedule will not be applied to a participating family’s rent calculation until year six of their enrollment in the pilot FFP. Upon entering the FFP (years one - five), participants will have a standard rent calculation (the same as HACSC’s MTW programs) based on between 30 to 35 percent of the participant’s actual gross monthly income, as approved through MTW activity 2014-4. Case managers will provide participating households with financial counseling (i.e. budgeting, credit repair, etc) to prepare families for increases in rent, the household may experience after year five or after the completion of the program.

The Stepped Subsidy rent calculation in years six to ten will be based on a fixed amount which is calculated based on a percentage of the applicable Santa Clara County Area Median Income (AMI.) HACSC will apply its MTW rent calculation method to the fixed AMI amount, based on the current tenant rent portion scale set by the Agency (30%-35% of a family’s actual gross monthly income- MTW activity 2014-4). HACSC’s current tenant rent portion is set at 32%.

HACSC will continue to calculate the family’s actual annual income in order to assess actual income gains with the Stepped Subsidy rent calculation. Also in year six, HACSC will re-determine the FFP participants’ family size only for the purposes of the Stepped Subsidy rent calculation. The participant family size will be based upon the number of adult work-able family members.

An example of the total tenant payment for FFP participants in years six to ten by Family Size is displayed in the chart below (30%-70% of AMI.)

Stepped Subsidy Rent Calculation:

Total Tenant Payment for FFP participants in Years 6-10 by Family Size*

| Work-able Persons in Family | Year 6- Based on 30% of AMI | Year 7- Based on 40% of AMI | Year 8- Based on 50% of AMI | Year 9- Based on 60% of AMI | Year 10- Based on 70% of AMI |
|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|
| 1 | \$625 | \$833 | \$1,043 | \$1,249 | \$1,460 |
| 2 | \$715 | \$952 | \$1,191 | \$1,428 | \$1,667 |
| 3 | \$804 | \$1,072 | \$1,340 | \$1,607 | \$1,876 |
| 4 | \$893 | \$1,191 | \$1,488 | \$1,785 | \$2,083 |
| 5 | \$965 | \$1,285 | \$1,608 | \$1,928 | \$2,251 |
| 6 | \$1,037 | \$1,381 | \$1,727 | \$2,071 | \$2,417 |
| 7 | \$1,108 | \$1,476 | \$1,845 | \$2,215 | \$2,584 |
| 8 | \$1,180 | \$1,571 | \$1,965 | \$2,357 | \$2,752 |

* This chart contains the calculation of 32% of Santa Clara County's pro-rated monthly AMI- \$107,100.

Example 1: A family of two participating in the FFP, with only one adult work-able family member in year six, would have a monthly total tenant payment of \$625.

Rent calculation:

FY2016- 30% of AMI for 1 person is \$23,450 annually

1. Divide \$23,450 by 12 to determine monthly income= \$1,954
2. Multiply \$1,954 x 32% (HACSC's tenant rent portion) = \$625

Example 2: A family of six participating in the FFP, with three adult work-able family members in year 7, would have a total tenant payment of \$1,072.

Rent calculation:

FY2016- 40% of AMI for a family of 3 is \$40,200 annually

1. Divide \$40,200 by 12 to determine monthly income= \$3,350
2. Multiply \$3,350 x 32% (HACSC's tenant rent portion) = \$1,072

FFP participants whose standard income-based rent calculation would be higher than the set stepped subsidy amount would keep the savings.

Example: A family of three participating in the FFP, with two adult work-able family members in year 6, has an actual annual gross income of \$35,000.

HACSC MTW Rent calculation (Based on actual annual income):

Family's actual annual income: \$35,000

1. Divide \$35,000 by 12 to determine monthly income= \$2,917
2. Multiply \$2,917 x 32% (HACSC tenant's rent portion) = \$933*

*Assuming the family's contract rent is at or below the applicable payment standard.

FFP Stepped Subsidy Rent Calculation:

FY2016- 30% of AMI for a family of 2 is \$26,800 annually

1. Divide \$26,800 by 12 to determine monthly income= \$2,233
2. Multiply \$2,233 x 32% (HACSC's tenant rent portion) = \$715*

*Assuming the family's contract rent is at or below the applicable payment standard.

This family will experience a monthly savings of \$218 or an annual savings of \$2,616 in year 6 of the FFP program.

RELATION TO STATUTORY OBJECTIVES

This activity directly relates to the statutory objective to give incentives to families whose heads of household are working, seeking work, or are participating in job training, education or other programs that assist in obtaining employment and becoming economically self-sufficient.

Through the pilot FFP, participants are provided resources and incentives that will encourage them to increase their income and meet self-sufficiency goals. The alternative stepped subsidy rent calculation will serve as a motivator and preparation for FFP participants to be prepared for the ending housing subsidy assistance.

ANTICIPATED IMPACT OF THE ACTIVITY

HACSC believes the combination of intensive, focused case management, realistic timelines for goal completion and the built-in monetary incentives will provide the pilot FFP participants with the necessary tools to encourage income growth that will lead to long-term improvements in a household’s economic self-sufficiency. HACSC estimates that there will be a significant increase in the percent of program completers who build their income under the FFP as compared to the FSS Program and will thus ultimately allow HACSC to serve more participants from the waiting list.

ANTICIPATED SCHEDULE FOR ACHIEVING THE STATED OBJECTIVES

Upon approval, in FY2018, HACSC will conduct further pilot FFP policy development, select a case management provider, and begin outreach to prospective participants. HACSC anticipates that the pilot FFP will be implemented in FY2019, pending final congressional appropriations funding levels are adequate to support the program. Because this is a pilot program in which participants will receive services for ten years, HACSC will monitor the program’s success annually, but plans to see the full results from this activity ten years after implementation.

PROPOSED BASELINES, BENCHMARKS, METRICS and DATA COLLECTION

HACSC plans to compile and analyze data from FFP case managers’ client notes and its participant database, Emphasys Elite, to report on the HUD standardized metrics below.

| Activity 2014-1b: Focus Forward Part II—Time Limit and Rent Structure | | | | |
|---|-----------|-----------|---------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| SS #1 : Increase Household Income | | | | |
| Average earned income of households affected by this policy in dollars (increase). | \$24, 278 | \$24,278* | | |
| SS #2: Increase in Household Savings | | | | |
| Average amount of savings/escrow of households affected by this policy in dollars (increase). | \$2,000 | \$2,000 | | |
| SS#3: Increase in Positive Outcomes in Employment Status | | | | |
| Number of Head of Households employed | 119 | 119 | | |
| Number of Head of Households employed | 67 | 67 | | |

| | | | | |
|---|-----|------|--|--|
| full-time (increase). | | | | |
| Number of Head of Households employed part-time (increase). | 52 | 52 | | |
| Number of Head of Households enrolled in an educational program (increase) | 8 | 8** | | |
| Number of Head of Households enrolled in job training program (increase). | 4 | 4** | | |
| Number of Head of Households unemployed (decrease). | 42 | 81 | | |
| Number of Head of Households in Other Category (ex: receiving TANF, SSI, Child Support, General Assistance, etc.) (decrease). | 36 | 29 | | |
| SS # 4: Households Removed from Temporary Assistance for Needy Families (TANF) | | | | |
| Number of households receiving TANF assistance (decrease). | 0 | 0 | | |
| SS# 5: Households Assisted by Services that Increase Self Sufficiency | | | | |
| Number of households receiving services aimed to increase self sufficiency (increase). | 175 | 200 | | |
| SS#6: Reducing Per Unit Subsidy Costs for Participating Households | | | | |
| Average amount of Section 8 subsidy per household affected by this policy in dollars (decrease) | 0 | 0*** | | |
| SS#7: Increase in Agency Rental Revenue | | | | |
| PHA rent revenue in dollars (increase) | 0 | 0*** | | |
| SS #8: Households Transitioned to Self-Sufficiency | | | | |
| Number of households transitioned to self-sufficiency (increase)**** | 0 | 0 | | |

*HACSC expects that participants will experience no appreciable increase to their income during year 1 of the program, however, will be able to increase their income to 80 percent of the AMI by program year 10 or graduation.

**Year 1 of the FFP will be focused on helping participants enroll and create self-sufficiency goals, obtain employment, financial stability, and vocational skills.

***Self-sufficiency is defined as a household who leaves housing assistance voluntarily or whose income is equal to or greater than 80 percent of the AMI. HACSC does not anticipate participants will transition to self-sufficiency in year 1 of the FFP.

AUTHORIZATION FOR THE ACTIVITY

This proposed activity is authorized in HACSC's Moving To Work Agreement, Attachment C, Paragraphs D.1.c, 2.a, and 2.d., and waives certain provisions of Section 8 (o) (1), (2), (3) (5), (7) and (10) and 8 (o) (13) (F)-(I) and Section 23 of the 1937 Act and 24 CFR 982.508, 24 CFR 982.503, 24 CFR 982.516, 24 CFR 982.518 and 24 CFR 984, 24 CFR 984 Subpart L and 983 Subpart E as necessary to implement HACSC's MTW Plan. This authorization is needed to issue time-limited vouchers and to implement a revised program rent calculation method.

RENT REFORM IMPACT ANALYSIS, HARDSHIP CASE CRITERIA, ANNUAL REEVALUATION AND TRANSITION PERIOD

Impact Analysis:

This activity qualifies as a rent reform initiative because it changes the way rental assistance is calculated and provides a limit for how long rental assistance will last. HACSC is planning to implement a ten-year time limited program in which participants' rental assistance will end after year 10. In years 1-5, FFP participants' rent will be calculated by HACSC's MTW rent calculation, approved in MTW activity 2014-4. The rent reform of this activity encompasses a specific stepped subsidy rent calculation for FFP participants that will be implemented in years 6-10.

In regards to this rent reform activity, HACSC will develop an extensive outreach and enrollment plan to ensure prospective FFP participants are aware of program requirements and expectations. The volunteer households must sign a ten-year participation agreement (similar to the FSS contract). Households who elect to participate in the pilot FFP may not opt to participate in only one component of the program. The different components of the program are linked and households must agree to all parts of the program when enrolling. Therefore, the components of the rent reform activity will apply to each participant.

In order to prepare for possible unintended impacts of the rent reform activity, HACSC will annually evaluate the income levels of program participants in years one to five of the program to ensure program participants are steadily increasing their income level in order to be prepared to meet the requirements of the possible increased tenant rent portion once they have moved to the Stepped Subsidy rent calculation in year six.

Once the rent reform activity has been implemented in year six, HACSC will continue to monitor the income levels and hardship requests by participants. From this analysis, HACSC may consider revising and re-proposing the rent calculation method for years six through ten, if it appears that transitioning to the Stepped Subsidy rent calculation would have a negative impact on more than 20 percent of program participants.

Beginning in year one of the FFP program, FFP case managers will work with participants to help build a better understanding of how the stepped subsidy rent calculation in year six may affect their family's rental payments. This discussion early in FFP will allow the case manager and participant to determine how much the participant will need to increase their income, based on

their work-able family size, to ensure they will not pay more than 32% of their actual income once the stepped subsidy rent calculation is applied. Annually, the case manager and participant will review progress in increasing income and revise the participant's goal plan, if necessary.

Because this program is voluntary, the hardship policy in regards to the Stepped Subsidy rent calculation will address circumstances that were not the fault of the participant (i.e. family illness, loss of job) that make it difficult or impossible to pay the stepped subsidy rent calculation in years six to ten. If a participant applies and qualifies for a hardship during years six to ten, the participant will return to the standard rent calculation (the same as HACSC's MTW programs) currently based on 32 percent of the participant's actual gross monthly income for up to a twelve-month period. A participant may request this hardship any time in writing after the stepped subsidy rent calculation is applied by contacting their FFP case manager, and a new rent calculation at 32 percent of the participant's actual gross monthly income will be applied the first day of the month after the request is approved. At the end of the hardship period, the family's rent portion will return to the stepped subsidy calculation based on the year of the program that they were enrolled in when they requested hardship considerations.

Families who qualify and apply for this hardship could graduate from the program after 11 years assistance, instead of ten years. HACSC will maintain a log of families who qualify for the hardship policy to monitor how many hardship cases were granted and the income of the families at the time the hardship rent calculation period expired. On an annual basis, HACSC will evaluate the FFP participants' income versus the Stepped Subsidy schedule to determine if the amounts participants are required to pay equal to or exceed 40 percent of the family's actual gross monthly income. If more than 20 percent of participants are paying more than 40 percent of their actual gross monthly income under the Stepped Subsidy rent calculation, HACSC will reevalutate the Stepped Subsidy schedule and consider revising and re-proposing the rent calculation method to HUD.

Landlord Initiatives
(Re-proposed Activity 2017-3)

DESCRIPTION OF MTW ACTIVITY

The rental housing market in Santa Clara County ranks as one of the most expensive in the nation with record low vacancy rates. HACSC has implemented a renewed focus on property owner recruitment and retention in order to increase and preserve the number of affordable housing options for its voucher holders throughout the County. In an effort to retain its current Housing Choice Voucher (HCV) owners and attract new ones, HACSC is re-proposing a landlord initiative activity that provides HCV program owners, who re-rent their unit to an HCV participant, with vacancy payments. Through this activity, HACSC hopes to provide incentives to retain owners in the HCV program, preserve units available for Section 8 families and possibly attract new owners into the program.

HACSC originally proposed administering vacancy payments based on 80 percent of the previous contract rent for up to 30 days. After reevaluating the aforementioned proposal, the activity is being re-proposed to streamline the process. The vacancy payment amount will be set somewhere between \$500 and \$1,500—an amount that was determined to be reasonable after evaluating the program-wide contract rent average. The vacancy payment amount will be reviewed annually and included in HACSC’s Section 8 Administrative Plan. HACSC staff will evaluate several factors prior to determining the annual vacancy payment amount, including: County vacancy rates, open market rental costs and the amount of participants shopping for housing. HACSC is proposing to administer the same vacancy payment amount to each owner, regardless of the unit size or length of unit vacancy. Owners will be eligible for a vacancy payment each time they re-rent their unit to an HCV participant.

The proposed vacancy payments will give owners an incentive to maintain participation in the HCV program, and the re-proposed process will simplify and expedite the method in which HACSC administers vacancy payments.

RELATION TO STATUTORY OBJECTIVES

This activity addresses the statutory objective of increasing housing choices for low income families by providing an incentive for current owners to remain in the program.

ANTICIPATED IMPACT OF THE ACTIVITY

HACSC anticipates that this activity will increase the number of HCV units that are re-leased to HCV participants, ensure the long-term viability of units that will be available to HCV low-income tenants and may provide an incentive for owner participation in the HCV program.

ANTICIPATED SCHEDULE FOR ACHIEVING THE STATED OBJECTIVES

This activity is anticipated to be implemented upon approval.

PROPOSED BASELINES, BENCHMARKS, METRICS and DATA COLLECTION

HACSC set its benchmark based on a projection that 25% of its HCV unit turnovers in any given year would re-lease to a new Section 8 tenant with the incentive of this activity. The benchmark was based off the number of HCV unit turnovers in Fiscal Year 2016. Data related to this activity will be collected at least annually from the Agency’s electronic database, Emphasys Elite.

| Activity 2017-3: Re-propose Landlord Initiatives | | | | |
|--|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| HC #2: Units of Housing Preserved | | | | |
| Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). | 0 | 276 | N/A | N/A |

AUTHORIZATION FOR THE ACTIVITY

This proposed activity is authorized in HACSC’s Moving to Work Agreement, Attachment C, Section D(1)(d) and waives certain provisions of Section 8 and 9 of the 1937 Act and 24 CFR 982 and 990 as necessary to implement that Agency’s Annual MTW Plan. This authorization is needed to allow the use of MTW funds to pay vacancy payments to HCV property owners in addition to Project Based Voucher owners.

RENT REFORM IMPACT ANALYSIS, HARDSHIP CASE CRITERIA, ANNUAL REEVALUATION AND TRANSITION PERIOD

This activity does not qualify as a Rent Reform Initiative.

**Strengthening Partnerships through Capacity Building
(Proposed Activity 2018-1)**

DESCRIPTION OF MTW ACTIVITY

The average HACSC participant has an annual income of about \$18,000, compared to the Santa Clara County annual median income of \$107,100. Therefore, in addition to housing support, program participants often seek additional ‘safety net’ resources or services, such as: affordable childcare, food access, educational/job opportunities, healthcare resources and other elements of a well-rounded, healthy life-style.

In an effort to maximize and streamline community resources available to Section 8 participants, HACSC works in partnership with a variety of stakeholders in Santa Clara County, including local service providers (i.e. non-profit organizations), advocacy organizations and other government agencies. Due to the high cost of living in Santa Clara County, safety net services are in high demand and local service providers are at capacity, which makes it difficult to serve additional clients, especially if new funding streams aren’t available.

HACSC is proposing to provide funds that can be utilized to support local service providers in building capacity, specifically geared toward service providers that offer family self-sufficiency services (i.e. job readiness programs, educational resources, etc.) to the community. The fund would allocate resources to designated partner agencies that make a commitment to providing services to individuals and families enrolled in HACSC’s pilot FFP.

To ensure that funds are allocated in accordance with the pilot FFP objectives, HACSC will establish an application process, and develop a fund issuance criteria that will have to be completed prior to the award of funds. The total amount of funds to be awarded per year will not surpass \$100,000.

RELATION TO STATUTORY OBJECTIVES

This activity addresses the statutory objective of increasing family self-sufficiency by working with community partners to ensure that Section 8 families enrolled in the pilot FFP have priority access to resources focused on family self-sufficiency.

ANTICIPATED IMPACT OF THE ACTIVITY

HACSC anticipates that participants enrolled in the pilot FFP will have continuous access to services and resources that will enhance their economic self-sufficiency.

ANTICIPATED SCHEDULE FOR ACHIEVING THE STATED OBJECTIVES

This activity is anticipated to be implemented upon approval of the pilot FFP.

PROPOSED BASELINES, BENCHMARKS, METRICS and DATA COLLECTION

HACSC plans to compile and analyze data from FFP case managers’ client notes and its participant database, Emphasys Elite, to report on the HUD standardized metrics below.

| Activity 2018-1: Strengthening Partnerships through Capacity Building | | | | |
|---|-----------------|------------------|----------------|----------------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| CE #4 : Agency Cost Savings | | | | |
| Total cost of task in dollars | \$0 | \$0* | | |
| SS# 5: Households Assisted by Services that Increase Self Sufficiency | | | | |
| Number of households receiving services aimed to increase self sufficiency (increase). | 175 | 200 | | |
| SS #8: Households Transitioned to Self Sufficiency | | | | |
| Number of households transitioned to self sufficiency (increase). The PHA may create one or more definitions for "self sufficiency" to use for this metric. Each time the PHA uses this metric, the "Outcome" number should also be provided in Section (II) Operating Information in the space provided. | 0 | 0** | | |
| HC #7 Households Assisted by Services that Increase Housing Choice | | | | |
| Number of households receiving services aimed to increase housing choice (increase). | 175 | 200 | | |

*HACSC does not anticipate labor and cost savings during the first year of the FFP as it will be the initial implementation phase of the program.

** Year 1 of the FFP will be focused on helping participants enroll and create self-sufficiency goals, obtain employment, financial stability, and vocational skills.

AUTHORIZATION FOR THE ACTIVITY

This proposed activity is authorized in HACSC’s Moving to Work Agreement, Attachment C, Section B(1). (b)iii., B(2)., and waives certain provisions of Section 8 and 9 of the 1937 Act and 24 CFR 982 and 990 as necessary to implement that Agency’s Annual MTW Plan. This authorization is needed to issue funds to assist community partners in building capacity that will directly support HACSC participants enrolled in the pilot FFP.

RENT REFORM IMPACT ANALYSIS, HARDSHIP CASE CRITERIA, ANNUAL REEVALUATION AND TRANSITION PERIOD

This activity does not qualify as a rent reform initiative.

IV. APPROVED MTW ACTIVITIES (HUD Approval Previously Granted)

To date, HACSC has had 40 activities approved by HUD. Of these, nine were closed out. The first four numbers of each activity signify the fiscal year in which each activity was approved. Except where indicated in the activity status explanation, HACSC does not anticipate any changes or modifications to the activities during the Plan year.

IMPLEMENTED ACTIVITIES

ACTIVITY 2009-1: REDUCED FREQUENCY OF TENANT REEXAMINATIONS

This activity, originally implemented in 2009, reduces the frequency of participant reexaminations in the voucher and public housing programs. Participants with a fixed income are reexamined every three years and participants with a non-fixed income are reexamined every two years.

The reduced frequency of tenant reexaminations continues to provide labor and cost savings for HACSC.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2009-2: EXPEDITING INITIAL ELIGIBILITY INCOME VERIFICATION PROCESS

This activity, implemented in FY2009, extends the timeframe of the application documents window from 60 days to 120 days.

Extending the documentation timeframe continues to provide administrative relief, both to applicants and to HACSC. With this activity, applicants do not need to continually provide updated documentation if the previously provided information becomes too old (dated older than 60 days) before voucher issuance.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2009-5: EXPLORING NEW HOUSING OPPORTUNITIES FOR THE CHRONICALLY HOMELESS

The Chronically Homeless Direct Referral (CHDR) program was originally launched in FY2011. The CHDR program increases housing choices and mobility by assisting the homeless population through a more targeted and efficient process than the standard voucher waiting list system. Following a housing-first model, identified chronically homeless families not on the voucher waiting list are referred for tenant-based housing assistance and connected to case management services with local service providers.

The CHDR program continues to utilize the housing-first model to ensure clients are in stable housing, coupled with intensive case management.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2009-8: 30-DAY REFERRAL PROCESS FOR PROJECT-BASED VACANCIES

This activity was implemented in FY2010, and allows owners to directly refer applicants after 30 days of unsuccessful attempts to fill the Project-Based Voucher (PBV) unit using referrals from the HACSC waiting list. This activity reduces the vacancy time for owners and the resultant loss in money thus ensuring the continuation of the PBV contract and the affordability of the units for low income households.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2009-9: UTILIZATION OF LOW INCOME HOUSING TAX CREDIT (LIHTC) TENANT INCOME CERTIFICATION (TIC) FOR INCOME AND ASSET VERIFICATION

This activity, first implemented in 2010, allows HACSC to utilize the owner-provided Tenant Income Certification (TIC) form required under the Low Income Housing Tax Credit (LIHTC) Program as its sole method for verification of the family's income and assets when filling PBV vacancies for tax credit units. Prior to implementation, households selected to fill a PBV unit that utilized tax credits had to complete initial eligibility calculations under both the Federal LIHTC regulations (Section 42 of the IRS Code) and the Section 8 PBV regulations (24 CFR 5.657, 5.659). HACSC currently uses property-owner TIC documentation for initial eligibility and at each regularly scheduled reexamination to verify income and family composition.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2009-11: PROJECT-BASE 100 PERCENT OF UNITS IN FAMILY PROJECTS

This activity was implemented in FY2010, and allows HACSC to project-base more than 25% of the units in an existing building in multi-family complexes without requiring participation in supportive services. Although supportive services are provided and families must be made aware of and encouraged to participate in these services offered by owners, participation is not mandatory. The activity increases housing choices for low-income families by making the units more attractive to families who may choose to not accept or do not need supportive services. It continues to reduce the administrative burden by removing the compliance monitoring that the Agency would need to do for families living in the "excepted" units (i.e. units above the 25% cap).

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2009-13: COMBINED WAITING LIST FOR THE COUNTY OF SANTA CLARA AND THE CITY OF SAN JOSÉ

In 1976, HACSC signed an agreement to administer the Housing Choice Voucher program on behalf of the City of San José. This agreement allows HACSC to operate under one Annual Plan, one Administrative Plan, and one combined MTW plan for both housing authorities. In accordance with this agreement, in FY2009, this activity was implemented to permit HACSC to waive regulation 24 CFR 982.404(f), and to continue to operate one combined waiting list for both the County of Santa Clara and the City of San José. This activity allows HACSC to operate a joint waiting list for the Housing Choice Voucher (HCV) and the Project Based Voucher (PBV) Programs.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2009-14: PAYMENT STANDARD CHANGES BETWEEN REGULAR REEXAMINATIONS

This activity, implemented in FY2010, allows HACSC to effectuate an immediate change in voucher size and its corresponding payment standard when changes in family composition occur between regular reexaminations. If the application of the new payment standard results in a decrease in the tenant's rent portion, the interim reexamination effective date will be the first of the month following the change. If the application of the new payment results in an increase in the tenant's rent portion, the interim reexamination effective date will be the first of the month following a 30-day notice to the tenant and owner. This activity continues to result in Housing Assistance Payment (HAP) cost savings by enabling the new payment standards to take effect at the time of an interim reexamination rather than at the next regular reexamination.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2010-2: EXCLUDING ASSET INCOME FROM INCOME CALCULATIONS FOR FAMILIES WITH ASSETS UNDER \$50,000

HACSC no longer calculates income received from family assets under \$50,000. Since implementation in FY2010, HACSC has reduced administrative costs through this activity. HACSC continues to save costs of staff time previously spent on this task.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2010-3: APPLYING CURRENT INCREASED PAYMENT STANDARDS AT INTERIM REEXAMINATIONS

This MTW activity allows the application of the current payment standard (if the payment standard has increased since the family's last regular reexamination) to the rental assistance calculation at interim reexaminations. Since implementation in FY2010, HACSC has met the statutory objective of reducing administrative costs and increasing housing choice for low-income families. HACSC has realized savings in staff hours and cost of tasks. HACSC used this activity during FY2017 when the payment standard was raised on January 1, 2017. HACSC will report on the outcomes in its FY2017 MTW Report.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2010-4: ALLOCATING PROJECT-BASED VOUCHERS TO HACSC-OWNED PROJECTS WITHOUT COMPETITION

This MTW activity was implemented in 2011, and allows the Agency to select HACSC-managed housing for project-based assistance without a competitive process, saving both staff time and other costs that would be related to a competitive process. As a result of this activity, HACSC is able to cost-effectively and efficiently ensure that these project based units are available.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2011-1: STREAMLINED APPROVAL PROCESS FOR EXCEPTION PAYMENT STANDARD FOR REASONABLE ACCOMMODATION – HCV

This activity, implemented in FY2011, allows HACSC to approve any requests for an exception payment standard above 110 percent of the published Fair Market Rent (FMR) as a reasonable accommodation for persons with disabilities. This activity continues to improve HACSC's responsiveness to the needs of families with members who have disabilities, which provides increased housing choices by enabling them to secure an accessible unit more expeditiously.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2011-2: SIMPLIFY REQUIREMENTS REGARDING THIRD-PARTY INSPECTIONS AND RENT SERVICES

HACSC implemented this activity in FY2011 in order to waive the regulatory requirement in which HUD must approve a designated, qualified independent agency to conduct Housing Quality Standards (HQS) inspection and rent reasonableness services for HACSC-owned units. This qualified independent agency conducts both initial and regularly scheduled HQS inspections, as well as rent reasonable services for initial contracts and requested rent adjustments for HACSC-

owned or -controlled properties. In addition, this activity has allowed HACSC to waive the second part of the HUD regulation that requires the independent agency to supply copies of each inspection report and rent reasonableness determination to the HUD field office. HACSC continues to realize the ongoing benefits associated with reduced costs and administrative streamlining related to this activity.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2012-2: MINIMUM TWO-YEAR OCCUPANCY IN PROJECT-BASED UNIT

The purpose of the activity is to enhance the occupancy stability in the PBV program, which will result in reduced staff time spent processing PBV move-outs and vacancy outreach. Project-based participants are required to remain in their PBV units for a minimum of two years prior to becoming eligible to request a tenant-based voucher to move with continued assistance. The activity does not apply to families: (1) with an approved reasonable accommodation that requires them to move; (2) who experience a change in family composition that affects unit size; (3) who present other compelling reasons to move out; or (4) who request a move under Violence Against Women Act (VAWA).

In November 2014, HACSC began implementing this activity. HACSC has created its own PBV Statement of Family Responsibility and PBV Tenancy Addendum forms to replace the HUD forms. HACSC versions remain the same as the HUD versions except for the stipulation on the two-year PBV residency requirement.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2012-3: CREATE AFFORDABLE HOUSING ACQUISITION AND DEVELOPMENT FUND

This activity, implemented in FY2012, allows HACSC to use MTW funds to pursue opportunities to build new affordable rental housing units through the acquisition of existing land and/or funding the development of units for new construction or rehabilitation.

In FY2018, HACSC may use up to \$26 million in MTW funds for the acquisition of the Buena Vista Mobile Home Park in Palo Alto, CA--in addition to \$29 million in local funds that will contribute to the purchase and redevelopment of the aforementioned property.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2012-4: CREATE AFFORDABLE HOUSING PRESERVATION FUND FOR HACSC AND AFFILIATE OWNED PROPERTIES

HACSC proposed to use MTW funds to assist in its preservation activities and to support the asset management staff that has oversight of the affordable units. The preservation activities include using MTW funds for expenses incurred in rehabilitating the units to extend their useful life and affordability, or to acquire the property or limited partner's interest at the end of the tax credit period to maintain the asset's affordability into the future, or pay off existing loans in order to leverage additional financing.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2013-1: ELIMINATION OF THE EARNED INCOME DISALLOWANCE (EID) CALCULATION

This activity eliminates the HUD-mandated Earned Income Disallowance (EID) calculation. With federal sequestration in FY2013, HACSC placed utilizing this activity on hold. The agency implemented this activity in early FY2015. Since, implementation, this activity continues to decrease staff time required to calculate a family's rent portion and reduces errors associated with calculating potential income exclusions.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2014-4: INCREASED TENANT CONTRIBUTION—UP TO 35 PERCENT OF GROSS INCOME

This activity, applicable to both the voucher and public housing programs, simplified the calculation of Total Tenant Payment (TTP) by removing all standard deductions and allowances and calculating a TTP between 30 and 35 percent of the gross monthly income or \$50 (minimum rent), whichever is higher. The activity, proposed and implemented in FY2014, also eliminated the inclusion of a utility allowance in the tenant rent calculation. The initial implementation of this activity increased the TTP to 35 percent as a cost-saving measure in response to diminished funds resulting from federal sequestration. In September 2014, the TTP was reduced to 32 percent.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2015-2: PROJECT BASED VOUCHER INSPECTION SELF-CERTIFICATION

This activity was approved and implemented in FY2015 and allows Project Based Voucher owners and tenants to self-certify the correction of reported HQS deficiencies within the 30-day timeframe. This activity waives the regulatory requirement for only non-life threatening deficiencies. This activity continues to reduce expenditures by eliminating the scheduling and conducting of a recheck inspection to determine if necessary repairs were made.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2015-3: MODIFIED ELDERLY DEFINITION FOR PBV

HUD currently defines elderly to be persons aged 62 year or older and elderly families to those whose head, spouse or co-head are 62 years of age or older. This activity, implemented in FY2015, modifies the age, for the Project Based Voucher (PBV) program, at which a person or family is considered elderly from persons aged 62 or older to persons aged 55 or older in order to align with the definition used by a number of affordable housing developments in the area. Therefore, PBV sites which define elderly as 55 years of age and older are considered an elderly property. This change in the definition allows HACSC to refer a larger pool of applicants (any family with Head of Household or Spouse aged 55 and older) from its PBV waiting list to fill vacancies in these units and will allow the Agency to project-base 100% of the units in a project with aged 55 or older limitations (project is not subject to the 25% PBV per project cap). HACSC increased the number of available units for households who otherwise would not have qualified under the property's definition of elderly.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2017-1: PHASING IN THE SUBSIDY STANDARD CHANGE

HACSC, as of January 1, 2017, changed its subsidy standard to two persons per bedroom. If a household's voucher size changes due to the subsidy size change, the new voucher size will not take effect for households in a unit under a Housing Assistance Payment contract until (1) the family moves; or (2) the rental market vacancy rate remains five percent or higher for at least six months, whichever occurs first.

On January 1, 2017, HACSC, after an internal staff training, implemented Activity 2017-1 for families who are either moving or new to the Section 8 program. A more detailed analysis will be available in the FY2017 MTW Report.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2017-3: LANDLORD INITIATIVE

This activity authorizes HACSC to administer vacancy payments to Section 8 landlords who re-rent their unit to HACSC program participants.

In March, 2017, HACSC, after an internal staff training, implemented Activity 2017-3, providing vacancy payments for owners who re-rent their unit to a Section 8 participant. A more detailed analysis will be available in the FY2017 MTW Report.

HACSC facilitated a staff training on how to implement this activity. There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITIES NOT YET IMPLEMENTED

ACTIVITY 2014-1: FOCUS FORWARD PROGRAM

In FY2014, HACSC proposed a pilot program as an alternative to the HUD Family Self Sufficiency (FSS) Program. The proposed 'Focus Forward' program aimed to provide more focused and meaningful case management (with a smaller client to case manager ratio), accelerated program timelines and immediate and ongoing monetary incentives to enrolled households through a tiered rent schedule. However, with the implementation of Activity 2014-4: Increased Tenant Contribution (Up to 35 Percent of Gross Income), it was determined that the Focus Forward program would have to be over-hauled to align its rent calculation method and monetary incentives with the rent simplification process of Activity 2014-4.

HACSC re-designed the Focus Forward program and is re-proposing the new program to HUD in this FY2018 MTW Plan.

ACTIVITY 2014-2: ELIMINATE REQUIREMENT TO RE-DETERMINE RENT REASONABLENESS WHEN HUD DECREASES FAIR MARKET RENTS (FMRS)

This activity eliminates the HUD requirement to re-determine the rent reasonableness of affected units within 60 days of the contract anniversary date when HUD reduced FMRs by 5 percent or more. HACSC expects that it will save money on staff time required for FMR analysis, comparison database upkeep, and reexamination processes. HACSC has yet to implement this activity because HUD has not decreased FMRs since the activity was approved. HACSC plans to implement this activity upon the event that HUD reduces FMRs by 5 percent or more.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2016-1: RESTRICTION ON HEAD OF HOUSEHOLD CHANGES

This activity encourages self-sufficiency by allowing the Head of Household (HOH) to leave the program and transfer his or her voucher to a remaining non-elderly, non-disabled family member only if that family member joins HACSC's Focus Forward Program (FFP). The new HOH who enrolls in the pilot FFP has the opportunity to work with assigned case managers and set economic self-sufficiency goals.

Once implemented, HACSC will revise the activity's metrics to include the HUD standard metrics SS#6 and SS#7.

ACTIVITY 2016-2: STREAMLINING OF PBV SELECTION REQUIREMENTS

This activity eliminates certain requirements in selecting Project-Based Voucher (PBV) proposals by expanding the definition of a competitive selection process to include any form of open public solicitation or invitation process conducted by a Federal, State, or local government, where a proposal is selected subject to funding availability; waiving HUD's requirements that the PHA must select proposals within three years of the earlier selection date by allowing proposals within fifteen years of the selection date; and allowing earlier competitive selection proposals to consider that the project would require rental assistance, including PBV assistance.

The policy that will guide the implementation of this activity has been finalized—however, HACSC is not issuing PBV vouchers at this time, therefore the activity will remain on hold until the issuance of more PBV vouchers. The date to issue additional PBV vouchers has yet to be determined.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2017-2: SPECIAL NEEDS POPULATION DIRECT REFERRAL PROGRAM

This activity creates an exception to Section 8 waiting list regulations to create a direct referral program for certain special needs populations who are not best served through a waiting list (such as disabled individuals at risk of institutionalization or transition aged youth). This activity gives HACSC the flexibility to work directly with community partners to rapidly house and provide supportive services to vulnerable populations.

HACSC is currently drafting the policy that will direct the use of this activity. There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITY 2017-4: SETTING PAYMENT STANDARDS ABOVE 110 PERCENT OF THE HUD FAIR MARKET RENTS

This activity provides the flexibility to set HACSC payment standards higher than 110 percent of the Fair Market Rent (FMR), if necessary, without HUD approval. This activity will give HACSC participants the ability to be more competitive in the high priced and volatile Santa Clara County rental market.

This activity is intended to increase the probability of participants securing a rental unit in a tight, high-cost rental market. Currently, Santa Clara County is experiencing a slight softening of the rental market, which is why this activity is yet to be implemented. HACSC may implement this activity when the Santa Clara County housing market experiences another surge in cost.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

ACTIVITIES ON HOLD

ACTIVITY 2010-5: ASSISTING OVER-INCOME FAMILIES RESIDING AT HACSC-OWNED PROJECT-BASED VOUCHER PROPERTIES

This activity waives PBV regulations relating to preference for in-place families in order to continue to commit tax-exempt bonds and tax credits to the disposed public housing properties. Families with income below the PBV limit but above the tax-credit limit will receive Section 8 voucher and relocation assistance. This activity helps maintain the affordability of units that would otherwise become unaffordable to very-low income families by applying tax credits in unison with PBV assistance. It also increases housing choices for low-income families by preserving and improving the affordable housing stock in Santa Clara County.

This activity was implemented in FY2011. Since its implementation HACSC has had no need to use this waiver as no families have exceeded the income threshold. Only one public housing project (Deborah Drive) remains that could potentially benefit from this activity and there are no plans at this time to dispose of this property. Therefore, HACSC has placed this activity on hold indefinitely but could re-implement when the last public housing project is disposed.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations.

ACTIVITY 2012-5: EXPAND TENANT SERVICES AT HACSC- OR AFFILIATE-OWNED AFFORDABLE HOUSING PROPERTIES

This activity, which was implemented in FY2012, allowed HACSC to use its MTW funding flexibility to expand its provision of programs and services for tenants living in HACSC- or affiliate-owned non-Section 8/9 affordable rental properties. HACSC anticipated tenants to gain some or all of the necessary skills to address daily living requirements, maintain housing, and, for work-able residents, possibly re-enter or move up in the work force.

HACSC is placing this activity on hold because in FY2017 the Agency does not expect to utilize MTW funds for programs and services expansions at its non-Section 8/9 rental properties. Therefore, there is no implementation timeline. If non-MTW funding sources are exhausted, HACSC will re-implement this activity.

There are no changes to the activity's metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations.

ACTIVITY 2014-3: FREEZE ON CONTRACT RENT INCREASES

Implemented in FY2014, this activity imposed a freeze on any owner requested rent increases for one year effective September 2013 through August 2014. Effective September 1, 2014, HACSC lifted the freeze and accepted owner requested rent increases again. Subsequent freezes on owner requested rent increases are subject to HACSC’s Board of Commissioners’ approval and are limited to a one-year term. This activity helped reduce costs by controlling increases to Housing Assistance Payments (HAP) while reducing labor costs, but had negative effects on owner retention.

There are no changes to the activity’s metrics, baselines, or benchmarks. HACSC does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2018.

CLOSED OUT ACTIVITIES

| ACTIVITY | WHY THE ACTIVITY WAS CLOSED | YEAR CLOSED |
|---|---|--|
| 2009-3: Reduced Frequency of Inspections | Effective July 1, 2014, Public Housing Agencies (PHAs) can inspect units during the term of the Housing Assistance Payment (HAP) contract at least biennially instead of annually. There is no longer a need to waive HUD regulations to conduct biennial inspections. | This activity was closed out in FY2015 |
| 2009-4: Timeline to Correct HQS Deficiencies | Handhelds are now utilized by the inspections team at every regularly scheduled inspection. These devices are capable of recording the non-life threatening deficiency directly into the newly implemented software. There is no longer a lag time between the date of the inspection and the date of the letter. | This activity was closed out in FY2012 |
| 2009-6: 20 Percent Sample Inspections Annually for PBV Unit | After the approval of this activity, HUD issued PIH Notice 2008-14, in which HUD stipulates that a PHA may now renew or extend Project-Based Certificate HAP contracts as Project-Based Voucher HAP contracts in accordance with the regulations governing the PBV program at 24 CFR Part 983. This activity was never implemented. | This activity was closed out in FY2009 |
| 2009-7: Project-Based Unit Substitution | After the approval of this activity, HUD issued PIH Notice 2008-14, in which HUD stipulates that a PHA may now renew or extend Project-Based Certificate Housing Assistance Payment (HAP) contracts as Project-Based Voucher HAP contracts in accordance with the regulations governing the PBV program at 24 CFR Part 983. Therefore, this activity was never implemented. | This activity was closed out in FY2009 |

HACSC MTW Annual Plan FY2018

| | | |
|--|--|---|
| <p>2009-10: Selection of HACSC-owned Public Housing Projects for PBV without Competition</p> | <p>HACSC utilizes MTW Activity 2010-4, which allows the Agency to select any of its properties for PBV assistance without a competitive process, including public housing units. Therefore, this activity is no longer necessary.</p> | <p>This activity was closed out in FY2015</p> |
| <p>2009-12: Adopt Investment Policies</p> | <p>HACSC's Board of Commissioners annually adopts investment policies in accordance with the California Government Code (CGC) Sections 5922 and 53601. California law, which HACSC cannot waive, is consistent with and in fact more restrictive than the provisions of federal regulations Section 6 (c) (4) of the 1937 Act and 24 CFR 982.156. Therefore, this activity was never implemented.</p> | <p>This activity was closed out in FY2009</p> |
| <p>2010-1: Eliminating 100 Percent Excluded Income from the Income Calculation Process</p> | <p>With the publication of PIH Notice 2013-4, issued January 28, 2013, the verification and calculation of 100 percent excluded income is no longer required. Therefore, HACSC eliminated this activity in FY2013. This activity saved labor time and costs.</p> | <p>This activity was closed out in FY2013</p> |
| <p>2012-1: Create Standard Utility Allowance Schedule</p> | <p>Approved and implemented Activity 2014-4 which simplifies the rent calculation method also includes the elimination of utility allowances. Because of Activity 2014-4, MTW Activity 2012-1 is no longer necessary and was closed out prior to implementation.</p> | <p>This activity was closed out in FY2013</p> |
| <p>2015-1: Using UPCS or Local Inspection Standards to Determine Housing Quality Standards</p> | <p>On June 25, 2014, HUD published in the Federal Register that, effective July 1, 2014, "A PHA may comply with the biennial inspection requirement through reliance upon an inspection conducted for another housing assistance program. If a PHA relies on an alternative inspection to fulfill the biennial inspection requirement for a particular unit, then the PHA must identify the alternative standard in its administrative plan." Therefore, this activity was closed without implementation because HUD's directive superseded this activity.</p> | <p>This activity was closed out in FY2015</p> |

V. MTW SOURCES AND USES OF FUNDS

| V.1.Plan.Sources and Uses of MTW Funds | | |
|--|--|----------------------|
| A. MTW Plan: Sources and Uses of MTW Funds | | |
| Estimated Sources of MTW Funding for the Fiscal Year 2018-Traditional Activities | | |
| <p>PHAs shall provide the estimated sources and amounts of MTW funding by FDS line item.</p> | | |
| Sources | | |
| FDS Line Item | FDS Line Item Name | Dollar Amount |
| 70500 (70300+70400) | Total Tenant Revenue | \$21,696 |
| 70600 | HUD PHA Operating Grants | \$299,210,185 |
| 70610 | Capital Grants | \$1,371,894 |
| 70700 (70710+70720+70730+70740+70750) | Total Fee Revenue | \$0 |
| 71100+72000 | Interest Income | \$450 |
| 71600 | Gain or Loss on Sale of Capital Assets | \$0 |
| 71200+71300+71310+71400+71500 | Other Income | \$153,365 |
| 70000 | Total Revenue | \$300,757,590 |

Note 1 - Source In Analysis :

70600-HUD PHA Operating Grants \$299,210,185:

This FDS line represents the sum of the following: (1) Public Housing Operating Subsidy Income \$17,280 and (2) Section 8 MTW Admin Fee & HAP Earned \$299,192,905.

7120+71300+71310+71400+71500 - Other Income \$153,365:

This FDS line represents the sum of the following: (1) Land lease \$116,000, (2) Ground lease \$13,865 , (3) Laundry receipts \$400 and (4) Other miscellaneous income \$23,100.

Estimated Uses of MTW Funding for the Fiscal Year 2018-Traditional Activities

PHAs shall provide the estimated uses and amounts of MTW spending by FDS line item.

| Uses | | |
|--|--|----------------------|
| FDS Line Item | FDS Line Item Name | Dollar Amount |
| 91000 (91100+91200+91400+91500+91600+91700+91800+91900) | Total Operating - Administrative | \$23,293,159 |
| 91300+91310+92000 | Management Fee Expense | \$0 |
| 91810 | Allocated Overhead | \$0 |
| 92500 (92100+92200+92300+92400) | Total Tenant Services | \$104,336 |
| 93000 (93100+93600+93200+93300+93400+93800) | Total Utilities | \$20,372 |
| 93500+93700 | Labor | \$0 |
| 94000 (94100+94200+94300+94500) | Total Ordinary Maintenance | \$47,647 |
| 95000 (95100+95200+95300+95500) | Total Protective Services | \$250 |
| 96100 (96110+96120+96130+96140) | Total insurance Premiums | \$188,477 |
| 96000 (96200+96210+96300+96400+96500+96600+96800) | Total Other General Expenses | \$867,871 |
| 96700 (96710+96720+96730) | Total Interest Expense and Amortization Cost | \$43,150 |
| 97100+97200 | Total Extraordinary Maintenance | \$0 |
| 97300+97350 | Housing Assistance Payments + HAP Portability-In | \$248,609,940 |
| 97400 | Depreciation Expense | \$73,516 |
| 97500+97600+97700+97800 | All Other Expenses | \$0 |
| 90000 | Total Expenses | \$273,243,718 |

Note 2 - Source Out Analysis :

910000 - Total Operating - Administrative \$23,293,159:

This FDS line represents operation , administrative and allocated overhead/support department costs.

91810 - Allocated Overhead - \$0:

Per conversation with HUD Analyst Bella Young in 2014, the Housing Authority is not utilizing the true COCC model. Therefore, we report our Indirect Allocation costs in FDS line 91900 (Other).

96100-Total Insurance Premiums - \$188,477:

This FDS line is consisted of \$34K liability insurance and \$155K worker's compensation insurances.

96000 - Total Other General Expenses - \$867,871:

This FDS line is comprised of (1) \$802K compensated (vacation/sick) absences, (2) \$64K admin fee port out and (3) \$2K payment In Lieu of Taxes, and (4) \$80 Property Management Incorporation 401K contribution expenses

97300+97350 - Housing Assistance Payments + HAP Portability-In \$248,609,940:

This FDS line represents the total HAP paid out.

HAP Portability -It is not budgeted in FY2018 as HACSC is absorbing all future incoming portability.

Note 3 - Net Balance Analysis :

For Fiscal Year 2018, the net reserve balance of \$27,508,872 (MTW funding) will be used to fund the following :

I - Asset Management (Local Program)-Transfer of \$1,169,163: In accordance with Non-Traditional MTW Activity 2012-4, established under Preservation Fund to provide funding for activities that preserve stable, quality affordable housing to people with low and moderate incomes. The transfer of \$1,169,163 is for subsidizing the expenditures of the Asset Management and Other Preservation Activities of qualifying low-income housing units of properties that are owned and operated by HACSC and/or affiliated entities.

II- Activity 2012-3- Acquisition & Development Funds - \$1.4M: HACSC anticipates the use of \$1.4M from Public Housing Capital Grant as an additional source of funds for land purchase to develop multifamily properties: Race Street Family and Race Street Senior.

III-Activity 2012-3-Acquisition & Development Funds - \$46.65M: HACSC anticipates the use of \$46.65M to acquire and develop the following: (1) Buena Vista Mobile Home Park \$26.15M,(2) Race Street Senior & Family \$14.5M, (3) Park Avenue Senior \$3M and (4) Predevelopment and land holding costs of East Santa Clara Street \$3M.

IV - MTW Reserves - \$0: \$27.5 fiscal year reserves will be used for MTW activities outlined above and an additional \$21.75M of MTW reserves held at HUD is anticipated to be drawn down to meet the above obligations.

Finally, we request to add balance sheet FDS line items to report capital needs in the total uses of funds. In addition, we note that, in our opinion, depreciation expenses are not required in the Sources and Uses report because they are not a source of cash; but instead they should have a corresponding FDS line for capital expenditures.

Describe the Activities that Will Use Only MTW Single Fund Flexibility

The MTW Agreement allows HACSC to combine public housing operating and capital funds, including development and Replacement Housing Factor (RHF)/Demolition and Disposition Transition Fund (DDTF) funds, provided under Section 9, and tenant-based voucher program funds provided under Section 8 of the 1937 Act into a single, authority-wide funding source.

In FY2018, HACSC plans to use its MTW Single Fund Flexibility to pay for new copiers, fax machines and multi-function devices—and an agency-wide space-planning effort, which will maximize the use of employee work stations, meeting rooms, client meeting areas and public spaces. Additionally, the Single Fund Flexibility will be used to pay for housing search services for participants who are experiencing challenges in finding a rental unit.

V.2.Plan.Local Asset Management Plan
B. MTW Plan: Local Asset Management Plan

Is the PHA allocating costs within statute?

Yes or

Is the PHA implementing a local asset management plan (LAMP)?

or No

If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. The narrative shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.

Has the PHA provided a LAMP in the appendix?

or No

HACSC does not have a Local Asset Management Plan.

VI. ADMINISTRATIVE

A. BOARD RESOLUTION ADOPTING THE 2018 ANNUAL MTW PLAN CERTIFICATION OF COMPLIANCE

The Board Resolution approving the FY2018 MTW Plan is attached as Appendix One to this document.

B. PUBLIC REVIEW PROCESS FOR THE 2018 ANNUAL MTW PLAN

HACSC's FY2018 MTW Annual Plan was made available for public review from February 15, 2017 through March 16, 2017. In addition to HACSC's regular Board of Commissioner's Meetings, where the public may comment on the MTW Plan, four MTW Plan stakeholder meetings were held between September 2016 and January 2017. A total of 17 people attended these stakeholder meetings. The public hearing for the Plan was held on February 27, 2017.

C. PLANNED OR ONGOING AGENCY-DIRECTED EVALUATIONS OF HACSC'S MTW DEMONSTRATION

In FY2018, HACSC will continue to refine its approach to data gathering and monitoring of MTW activities and their impacts on stated goals and objectives.

D. ANNUAL STATEMENT/PERFORMANCE AND EVALUATION REPORT FOR MTW AND NON-MTW CAPITAL FUND GRANTS

The 2017 capital grant amounts were posted on Monday, July 3, 2017, to the Office of Capital Improvements Website—and HACSC has begun processing the application, with an anticipated submittal date of early August, 2017.

APPENDIX ONE: RESOLUTION NO. 17-02

RESOLUTION NO. 17-02

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
APPROVING SUBMISSION OF THE FY2018 MOVING TO WORK
(MTW) ANNUAL PLAN TO US DEPARTMENT OF HUD**

WHEREAS, the Housing Authority of the County of Santa Clara, together with the Housing Authority of the City San José (collectively referred to as "**HACSC**"), each entered into a ten-year Moving To Work (**MTW**) Agreement with the U.S. Department of Housing and Urban Development (**HUD**) in 2008; and

WHEREAS, in May 2016 said agreements were extended through the end of the Agency's Fiscal Year 2028; and

WHEREAS, as a Moving to Work Agency, HACSC is required to prepare and submit an Annual MTW Plan (**Plan**), to solicit comments and conduct a public hearing on the Plan, and to make certain certifications; and

WHEREAS, currently in its ninth year in the MTW Program, HACSC has drafted its FY2018 Moving to Work Annual Plan, solicited public comment and conducted a public hearing on the Plan; and

WHEREAS, the Board has conducted a public hearing and reviewed the Plan together with the comments received and has reviewed the required certifications;

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of the Housing Authority of the County of Santa Clara hereby:

1. Certifies the statements in the attached Certifications of Compliance with Regulations and directs the Board Chair to execute the Certifications on behalf of the Board; and
2. Approves the Fiscal Year 2018 Moving to Work Annual Plan for HACSC and the Housing Authority of the City of San José; and
3. Authorizes the submittal of the Annual Plan to the U.S. Department of Housing and Urban Development on behalf of both agencies.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Santa Clara, State of California, on March 28, 2017, held at 505 W. Julian Street, City of San Jose, State of California, upon motion from Commissioner

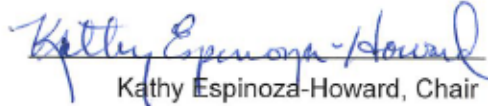
Anderson and seconded by Commissioner O'Neal with the following vote:

AYES: 7

NAYS: 0

ABSTAIN: 0

ABSENT: 0


Kathy Espinoza-Howard, Chair

ATTEST:


Katherine Harasz, Secretary/Executive Director

APPROVED AS TO FORM AND LEGALITY:


Brian Doyle, General Counsel

Attachment: Certifications of Compliance with Regulations:
Board Resolution to accompany the Annual Moving To Work Plan for the Housing Authority of the County of Santa Clara (CA059) and the Housing Authority of the City of San José (CA056).

| | |
|--|---|
| Form 50900: Elements for the Annual MTW Plan and Annual MTW Report | |
| Attachment B | |
| Certifications of Compliance | |
| Annual Moving to Work Plan Certifications of Compliance | U.S. Department of Housing and Urban Development Office of Public and Indian Housing |
| Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan* | |
| <p>Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning July 1, 2017, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:</p> <ol style="list-style-type: none"> 1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment. 2. The PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan. 3. The PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1. 4. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990. 5. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located. 6. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan. 7. The PHA will affirmatively further fair housing by examining its programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions. 8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975. 9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped. 10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135. 11. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F. 12. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24. | |

- 13. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
- 14. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- 15. The PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- 16. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- 17. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- 18. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- 19. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
- 20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
- 21. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

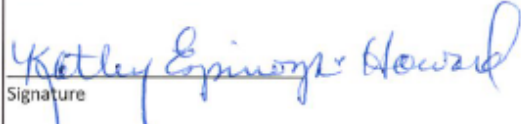
Housing Authority of the County of Santa Clara
PHA Name

CA-056
PHA Number/HA Code

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

Kathy Espinoza-Howard
Name of Authorized Official

Chair, Board of Commissioners
Title


Signature

4/4/17
Date

*Must be signed by either the Chairman or Secretary of the Board of the PHA's legislative body. This certification cannot be signed by an employee unless authorized by the PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.

| | |
|--|---|
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20. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
21. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

Housing Authority of the County of Santa Clara

CA-059

PHA Name

PHA Number/HA Code

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

Kathy Espinoza-Howard

Chair, Board of Commissioners

Name of Authorized Official

Title


Signature

4/4/17
Date

*Must be signed by either the Chairman or Secretary of the Board of the PHA's legislative body. This certification cannot be signed by an employee unless authorized by the PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.

APPENDIX TWO: CAPITAL IMPROVEMENT PROGRAM STATEMENTS

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
 Expires 8/31/2011

| Part I: Summary | | | | | |
|---|--|--|--|--|---------------------|
| PHA Name: Housing Authority of the County of Santa Clara | | Grant Type and Number Capital Fund Program Grant No: CA01P05950116 Replacement Housing Factor Grant No: Date of CFFP: | | FFY of Grant: 2016 FFY of Grant Approval: | |
| Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Final Performance and Evaluation Report | | | | | |
| Line | Summary by Development Account | Total Estimated Cost | | Total Actual Cost ¹ | |
| | | Original | Revised ² | Obligated | Expended |
| 1 | Total non-CFF Funds | | | | |
| 2 | 1406 Operations (may not exceed 20% of line 21) ³ | | | | |
| 3 | 1408 Management Improvements | | | | |
| 4 | 1410 Administration (may not exceed 10% of line 21) | | | | |
| 5 | 1411 Audit | | | | |
| 6 | 1415 Liquidated Damages | | | | |
| 7 | 1430 Fees and Costs | | | | |
| 8 | 1440 Site Acquisition | | | | |
| 9 | 1450 Site Improvement | | | | |
| 10 | 1460 Dwelling Structures | | | | |
| 11 | 1465.1 Dwelling Equipment—Nonexpendable | | | | |
| 12 | 1470 Non-dwelling Structures | | | | |
| 13 | 1475 Non-dwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1492 Moving to Work Demonstration | \$280,061.00 | | | |
| 16 | 1495.1 Relocation Costs | | | | |
| 17 | 1499 Development Activities ⁴ | | | | |
| 18a | 1501 Collateralization or Debt Service paid by the PHA | | | | |
| 18ba | 9000 Collateralization or Debt Service paid Via System of Direct Payment | | | | |
| 19 | 1502 Contingency (may not exceed 8% of line 20) | | | | |
| 20 | Amount of Annual Grant: (sum of lines 2 - 19) | \$280,061.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| 21 | Amount of line 20 Related to LBP Activities | | | | |
| 22 | Amount of line 20 Related to Section 504 Activities | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | |
| Signature of Executive Director <i>Klaun Henry</i> | | Date 3/8/2016 | Signature of Public Housing Director <i>[Signature]</i> | | Date APR 13 2016 |

¹ To be completed for the Performance and Evaluation Report.
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
³ PHAs with under 250 units in management may use 100% of CFF Grants for operations.

HACSC MTW Annual Plan FY2018

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
 Expires 8/31/2011

| Part III: Implementation Schedule for Capital Fund Financing Program | | | | | |
|--|---|-------------------------------|---|--------------------------------|---|
| PHA Name: Housing Authority of the County of Santa Clara | | | | | Federal FFY of Grant: 2016 |
| Development Number Name/PHA-Wide Activities | All Fund Obligated (Quarter Ending Date) | | All Funds Expended (Quarter Ending Date) | | Reasons for Revised Target Dates ¹ |
| | Original Obligation End Date | Actual Obligation End Date | Original Expenditure End Date | Actual Expenditure End Date | |
| 16/Deborah | 4/12/2018 | | 4/12/2020 | | |
| HA-Wide | | | | | |
| Management Improvements | 4/12/2018 | | 4/12/2020 | | |
| Administration | 4/12/2018 | | 4/12/2020 | | |
| Audit | 4/12/2018 | | 4/12/2020 | | |
| Fees & Costs | 4/12/2018 | | 4/12/2020 | | |
| Nondwelling Equipment | 4/12/2018 | | 4/12/2020 | | |
| Relocation | 4/12/2018 | | 4/12/2020 | | |
| | | | | | |
| | | | | | |
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¹ Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

HACSC MTW Annual Plan FY2018

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
 Expires 8/31/2011

| Part I: Summary | | FFY of Grant: 2016 | | | |
|---|--|------------------------|--|--------------------------------|---------------------|
| PHA Name: Housing Authority of the County of Santa Clara | | FFY of Grant Approval: | | | |
| Grant Type and Number Capital Fund Program Grant No: Replacement Housing Factor Grant No: CA01R05950116 Date of CFFP: | | | | | |
| Type of Grant <input checked="" type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:) <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Final Performance and Evaluation Report | | | | | |
| Line | Summary by Development Account | Total Estimated Cost | | Total Actual Cost ¹ | |
| | | Original | Revised ² | Obligated | Expended |
| 1 | Total non-CFP Funds | | | | |
| 2 | 1406 Operations (may not exceed 20% of line 21) ³ | | | | |
| 3 | 1408 Management Improvements | | | | |
| 4 | 1410 Administration (may not exceed 10% of line 21) | | | | |
| 5 | 1411 Audit | | | | |
| 6 | 1415 Liquidated Damages | | | | |
| 7 | 1430 Fees and Costs | | | | |
| 8 | 1440 Site Acquisition | | | | |
| 9 | 1450 Site Improvement | | | | |
| 10 | 1460 Dwelling Structures | | | | |
| 11 | 1465.1 Dwelling Equipment—Nonexpendable | | | | |
| 12 | 1470 Non-dwelling Structures | | | | |
| 13 | 1475 Non-dwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1492 Moving to Work Demonstration | | | | |
| 16 | 1495.1 Relocation Costs | | | | |
| 17 | 1499 Development Activities ⁴ | \$431,445.00 | | | |
| 18a | 1501 Collateralization or Debt Service paid by the PHA | | | | |
| 18ba | 9000 Collateralization or Debt Service paid Via System of Direct Payment | | | | |
| 19 | 1502 Contingency (may not exceed 8% of line 20) | | | | |
| 20 | Amount of Annual Grant: (sum of lines 2 - 19) | \$431,445.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| 21 | Amount of line 20 Related to LBP Activities | | | | |
| 22 | Amount of line 20 Related to Section 504 Activities | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | |
| Signature of Executive Director <i>Karen Huey</i> | | Date 3/8/2016 | Signature of Public Housing Director <i>[Signature]</i> | | Date APR 13 2016 |

¹ To be completed for the Performance and Evaluation Report.
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.
⁴ RHF funds shall be included here.

HACSC MTW Annual Plan FY2018

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
 Expires 8/31/2011

| Part III: Implementation Schedule for Capital Fund Financing Program | | | | | |
|--|---|-------------------------------|---|--------------------------------|---|
| PHA Name: Housing Authority of the County of Santa Clara | | | | | Federal FFY of Grant: 2016 |
| Development Number Name/PHA-Wide Activities | All Fund Obligated (Quarter Ending Date) | | All Funds Expended (Quarter Ending Date) | | Reasons for Revised Target Dates ¹ |
| | Original Obligation End Date | Actual Obligation End Date | Original Expenditure End Date | Actual Expenditure End Date | |
| 16/Deborah | 4/12/2018 | | 4/12/2020 | | |
| HA-Wide | | | | | |
| Management Improvements | 4/12/2018 | | 4/12/2020 | | |
| Administration | 4/12/2018 | | 4/12/2020 | | |
| Audit | 4/12/2018 | | 4/12/2020 | | |
| Fees & Costs | 4/12/2018 | | 4/12/2020 | | |
| Nondwelling Equipment | 4/12/2018 | | 4/12/2020 | | |
| Relocation | 4/12/2018 | | 4/12/2020 | | |
| | | | | | |
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¹ Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j) of the U.S. Housing Act of 1937, as amended.

