

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

# PHA Plans

5 Year Plan for Fiscal Years 2005 - 2009

Annual Plan for Fiscal Year 2006

**NOTE: THIS PHA PLANS TEMPLATE (HUD 50075) IS TO BE COMPLETED IN ACCORDANCE WITH  
INSTRUCTIONS LOCATED IN APPLICABLE PIH NOTICES**

**PHA Plan  
Agency Identification**

**PHA Name:** *Housing Authority of the City of San Jose*

**PHA Number:** *CA056*

**PHA Fiscal Year Beginning: (mm/yyyy)** *07/06*

**Public Access to Information**

**Information regarding any activities outlined in this plan can be obtained by contacting:  
(select all that apply)**

- Main administrative office of the PHA
- PHA development management offices
- PHA local offices

**Display Locations For PHA Plans and Supporting Documents**

The PHA Plans (including attachments) are available for public inspection at: (select all that apply)

- Main administrative office of the PHA
- PHA development management offices
- PHA local offices
- Main administrative office of the local government
- Main administrative office of the County government
- Main administrative office of the State government
- Public library
- PHA website <http://www.hacsc.org>
- Other (list below)

PHA Plan Supporting Documents are available for inspection at: (select all that apply)

- Main business office of the PHA
- PHA development management offices
- Other (list below)

**5-YEAR PLAN**  
**PHA FISCAL YEARS 2000 - 2004**

[24 CFR Part 903.5]

**A. Mission**

The mission of the PHA is the same as that of the Department of Housing and Urban Development: To promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.

The PHA's mission is:

*The Mission of the Housing Authority of the City of San Jose is to improve the lives of low-income families, persons with disabilities and seniors in Santa Clara County by providing affordable, high-quality housing.*

*Our philosophy, goals and professional commitment are dedicated toward fulfilling this mission.*

**B. Goals**

**HUD Strategic Goal: Increase the availability of decent, safe, and affordable housing.**

PHA Goal: Expand the supply of assisted housing

Objectives:

Apply for additional rental vouchers: *Successfully compete for the maximum amount of allocations through all notices of funding availability.*

Reduce public housing vacancies:

Leverage private or other public funds to create additional housing opportunities:

Acquire or build units or developments:

Other (list below)

PHA Goal: Improve the quality of assisted housing

Objectives:

Improve public housing management: (PHAS score)

Improve voucher management: *(STANDARD) to meet the goals and all necessary criteria to be a high performer at the end of the fiscal year.*

Increase customer satisfaction: *The Housing Authority is always developing ways to improve the processes and procedures of the Section 8*

program. We have automated and streamlined many of our functions in an attempt to make the program work more efficiently for property owners and their tenants. Information regarding the Housing Authority can be accessed on the web at [www.hacsc.org](http://www.hacsc.org).

- Concentrate on efforts to improve specific management functions:  
(list; e.g., public housing finance; voucher unit inspections)
- Renovate or modernize public housing units: *See 5 year Action Plan for Capital Fund*
- Demolish or dispose of obsolete public housing:
- Provide replacement public housing:
- Provide replacement vouchers:
- Other: (list below)
  - *Maintain 3 months of operating expenses in cash reserves;*
  - *Identify appropriate administrative facility expansion plan for staff and clients;*
  - *Attract and maintain a large pool of highly qualified, diverse staff.*
  
- PHA Goal: Increase assisted housing choices  
Objectives:
  - Provide voucher mobility counseling:
  - Conduct outreach efforts to potential voucher landlords: *Distribute publications aimed at owners and landlord such as the recently issued in-house newsletter (Housing Voice – Owner Edition) and additional program promotion through our website at [www.hacsc.org](http://www.hacsc.org).*
  - Increase voucher payment standards
  - Implement voucher homeownership program: *The Housing Authority implemented the Homeownership Program in 2002. The FSS program has 81 graduates who are now homeowners. Of these, there are 7 client utilizing their housing assistance payment to augment their mortgage and 2 additional clients pending close of their escrow.*
  - Implement public housing or other homeownership programs: *The Housing Authority monitors certain home purchase programs for low to moderate income persons in certain cities in the County of Santa Clara. To obtain additional information regarding these programs, please visit our website at [www.hacsc.org](http://www.hacsc.org).*
  - Implement public housing site-based waiting lists:
  - Convert public housing to vouchers: *The Housing Authority of the County of Santa Clara is planning to apply to HUD for a voluntary conversion of public housing to project based vouchers.*
  
  - Other: (list below)
    - *The Housing Authority will project base up to 20% of allocation in order to provide a resource of stable and affordable housing unit and*

*to increase participation by private owners in providing affordable housing.*

- *The Housing Authority will establish a limited local preference for the chronically homeless in the City of San Jose and County of Santa Clara. The number of set aside vouchers will be contingent upon monthly lease up and will not exceed the monthly turnover rate and/or up to 100 vouchers Annually.*
- *The Housing Authority may establish a wait list priority preference for families who have been displaced due to a federally declared disaster. The preference would place these families at the top of the Section 8 Wait list.*

### **HUD Strategic Goal: Improve community quality of life and economic vitality**

- PHA Goal: Provide an improved living environment
  - Objectives:
    - Implement measures to deconcentrate poverty by bringing higher income public housing households into lower income developments:
    - Implement measures to promote income mixing in public housing by assuring access for lower income families into higher income developments:
    - Implement public housing security improvements: *Prioritize Capital Needs Assessments.*
    - Designate developments or buildings for particular resident groups (elderly, persons with disabilities). *The Housing Authority will seek designation of four of its public housing developments as Senior Communities for those 62 years of age and older. No current residents will be required to move.*
  - Other: (list below)
    - *Participate in Work Force Board Investment activities as a mandatory partner*
    - *Increase income levels for 30% of clients*
    - *Utilize voucher program for homeownership – there are currently 7 homeowners that utilize housing assistance payments for homeownership and 2 families that are near their final steps in reaching their goals to becoming homeowners through the voucher homeownership program.*
    - *Seek funding for Aging Services Coordinators to;*
      - *Duplicate Lenzen Gardens Independent Living Project by providing onsite services to four of our senior public housing residences in order to prevent premature institutionalization.*

- *Assist seniors participating in the Housing Choice Voucher Program that live in Housing Authority affiliated, tax-credit residences remain independent by providing services on-site.*

**HUD Strategic Goal: Promote self-sufficiency and asset development of families and individuals**

- PHA Goal: Promote self-sufficiency and asset development of assisted households  
Objectives:
  - Increase the number and percentage of employed persons in assisted families: *Refer 100% of unemployed TANF to Cal WORKS and WIA.*
  - Provide or attract supportive services to improve assistance recipients' employability: *The Housing Authority serves as a mandated partner for the Workforce Investment Act. The Housing Authority works with the County of Santa Clara Housing Collaborative and NOVA WIB and is partner with CONNECT! – a group of 25 or more agencies and educational institutions dedicated to workforce and business solutions for Silicon Valley. The Housing Authority will continue to work closely with the Social Services Agency/TANF in administering the remaining 1100 vouchers designated for the Welfare to Work Program.*
  - Provide or attract supportive services to increase independence for the elderly or families with disabilities.
  - Other: (list below)
    - *Support the Family Self-Sufficiency Program – In 2001, the FSS Program was recognized by HUD's "Best Practices Award" and is being used as a national model. To date, 81 families in the FSS program have realized an increase in their family income and/or have gone on to graduate from the program while purchasing homes with their earned escrow monies.*
    - *Expand the number of people assisted by the scholarship fund by 100% - The Housing Authority to date has assisted over 200 students with scholarships totaling approximately \$200,000.00 in award money given.*

**HUD Strategic Goal: Ensure Equal Opportunity in Housing for all Americans**

- PHA Goal: Ensure equal opportunity and affirmatively further fair housing  
Objectives:
  - Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion national origin, sex, familial status, and disability:

- Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, familial status, and disability:
- Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required:
  
- Other: (list below)
  - **See Chapter 1, Section F of The Public Housing Admissions and Continued Occupancy Plan; See Chapter 1, Section G of the Section 8 Administrative Plan and Chapter 3 of the Property Management Policies and Procedures Manual**

**Other PHA Goals and Objectives: (list below)**

- **Apply for all funding which supports case management for Section 8 tenants and public housing residents.**
- **Educate surrounding C.D.B.G. partners about the Housing Authority homeownership program.**
- **Continue to support Social Services partnerships with all programs that assist Public Housing and Section 8 clients on the wait lists.**

**Annual PHA Plan**  
**PHA Fiscal Year 2004**

[24 CFR Part 903.7]

**i. Annual Plan Type:**

**Standard Plan**

**Streamlined Plan:**

- High Performing PHA**
- Small Agency (<250 Public Housing Units)**
- Administering Section 8 Only**

**Troubled Agency Plan**

**ii. Executive Summary of the Annual PHA Plan**

*The Housing Authority of the County of Santa Clara's Executive Summary is provided as Attachment A.*

**iii. Annual Plan Table of Contents**

**Table of Contents**  
**Annual Plan**

- A. Housing Authority of the County of Santa Clara Executive Summary
- B. Organizational Charts
- C. Resolution No. PHA Certification of Compliance with the PHA Plans and Related Regulations Board Resolution to Accompany the PHA Plan
- D. State/Local Government Certification of Consistency with the Consolidated Plan
- E. List of Consolidated Plans for the Jurisdictions of the Housing Authority of the County of Santa Clara
- F. Fiscal Year Ending 6/30/2005 Operating Budget for the Housing Authority of the County of Santa Clara
- G. Table of Contents for the Public Housing Admissions and Continued Occupancy Plan
- H. Table of Contents for the Section 8 Administrative Plan
- I. Table of Contents for the Property Management Policies and Procedures Manual
- J. The HUD-Approved Capital Fund/Comprehensive Grant Program Annual Statement (HUD 52837) for the 2006 Grant Year
- K. 5 Year Action Plan for the Capital Fund/Comprehensive Grant Program

- L. Housing Authority of the County of Santa Clara Single Audit Year Ended June 30, 2005
- M. 1. Procurement Policy for Equipment, Materials and Supplies
  - 2. Procurement Policy for Professional Services
  - 3. Disposition Policy
  - 4. Protests and Appeals
  - 5. Investment Policy and Guidelines
- N. Housing Needs of Families in the Housing Authority's Jurisdictions
- O. Programs Administered at the Housing Authority of the County of Santa Clara
- P. Resident Advisory Board Meetings and Public Comments
- Q. Admissions Policy for Deconcentration
- R. Resident Membership of Governing Board
- S. Project Based Assistance**
- T. Homeownership Update
- U. Housing Authority of the County of Santa Clara Strategic Plan 2003-2008
- W. Community Service Requirements for Public Housing Policy
- X. PHA Rent Hardship Policies

**Attachments**

Required Attachments:

- Admissions Policy for Deconcentration (attachment q)
- FY 2006 Capital Fund Program Annual Statement (attachment j)
- Most recent board-approved operating budget (Required Attachment for PHAs that are troubled or at risk of being designated troubled ONLY)

Optional Attachments:

- PHA Management Organizational Chart (attachment b)
- FY 2000 Capital Fund Program 5 Year Action Plan (attachment k)
- Public Housing Drug Elimination Program (PHDEP) Plan
- Comments of Resident Advisory Board or Boards (must be attached if not included in PHA Plan text) (attachment r)
- Other (List below, providing each attachment name) *Housing Authority of the County of Santa Clara Single Year Audit* – (attachment l)

**Supporting Documents Available for Review**

<b>List of Supporting Documents Available for Review</b>		
<b>Applicable &amp; On Display</b>	<b>Supporting Document</b>	<b>Applicable Plan Component</b>
X	PHA Plan Certifications of Compliance with the PHA Plans	5 Year and Annual Plans

<b>List of Supporting Documents Available for Review</b>		
<b>Applicable &amp; On Display</b>	<b>Supporting Document</b>	<b>Applicable Plan Component</b>
	and Related Regulations	
X	State/Local Government Certification of Consistency with the Consolidated Plan	5 Year and Annual Plans
X	Fair Housing Documentation: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdictions to implement any of the jurisdictions' initiatives to affirmatively further fair housing that require the PHA's involvement.	5 Year and Annual Plans
X	Consolidated Plan for the jurisdiction/s in which the PHA is located (which includes the Analysis of Impediments to Fair Housing Choice (AI) and any additional backup data to support statement of housing needs in the jurisdiction	Annual Plan: Housing Needs
X	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources;
X	Public Housing Admissions and (Continued) Occupancy Policy (A&O), which includes the Tenant Selection and Assignment Plan [TSAP]	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Public Housing Deconcentration and Income Mixing Documentation: 1. PHA board certifications of compliance with deconcentration requirements (section 16(a) of the US Housing Act of 1937, as implemented in the 2/18/99 <i>Quality Housing and Work Responsibility Act Initial Guidance; Notice</i> and any further HUD guidance) and 2. Documentation of the required deconcentration and income mixing analysis	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Public housing rent determination policies, including the methodology for setting public housing flat rents <input checked="" type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
N/A	Schedule of flat rents offered at each public housing development <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
X	Section 8 rent determination (payment standard) policies <input checked="" type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Rent Determination
X	Public housing management and maintenance policy	Annual Plan: Operations

<b>List of Supporting Documents Available for Review</b>		
<b>Applicable &amp; On Display</b>	<b>Supporting Document</b>	<b>Applicable Plan Component</b>
	documents, including policies for the prevention or eradication of pest infestation (including cockroach infestation)	and Maintenance
X	Public housing grievance procedures <input checked="" type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Grievance Procedures
X	Section 8 informal review and hearing procedures <input checked="" type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Grievance Procedures
X	The HUD-approved Capital Fund/Comprehensive Grant Program Annual Statement (HUD 52837) for the active grant year	Annual Plan: Capital Needs
N/A	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grant	Annual Plan: Capital Needs
X	Most recent, approved 5 Year Action Plan for the Capital Fund/Comprehensive Grant Program, if not included as an attachment (provided at PHA option)	Annual Plan: Capital Needs
N/A	Approved HOPE VI applications or, if more recent, approved or submitted HOPE VI Revitalization Plans or any other approved proposal for development of public housing	Annual Plan: Capital Needs
N/A	Approved or submitted applications for demolition and/or disposition of public housing	Annual Plan: Demolition and Disposition
N/A	Approved or submitted applications for designation of public housing (Designated Housing Plans)	Annual Plan: Designation of Public Housing
N/A	Approved or submitted assessments of reasonable revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the 1996 HUD Appropriations Act	Annual Plan: Conversion of Public Housing
N/A	Approved or submitted public housing homeownership programs/plans	Annual Plan: Homeownership
N/A	Policies governing any Section 8 Homeownership program <input type="checkbox"/> check here if included in the Section 8 Administrative Plan	Annual Plan: Homeownership
X	Any cooperative agreement between the PHA and the TANF agency	Annual Plan: Community Service & Self-Sufficiency
X	FSS Action Plan/s for public housing and/or Section 8	Annual Plan: Community Service & Self-Sufficiency
X	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports	Annual Plan: Community Service & Self-Sufficiency
N/A	The most recent Public Housing Drug Elimination Program (PHEDEP) semi-annual performance report for any open grant and most recently submitted PHDEP application (PHDEP Plan)	Annual Plan: Safety and Crime Prevention
X	The most recent fiscal year audit of the PHA conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h)), the results of that audit and the PHA's response to any findings	Annual Plan: Annual Audit

<b>List of Supporting Documents Available for Review</b>		
<b>Applicable &amp; On Display</b>	<b>Supporting Document</b>	<b>Applicable Plan Component</b>
N/A	Troubled PHAs: MOA/Recovery Plan	Troubled PHAs
	Other supporting documents (optional) (list individually; use as many lines as necessary)	(specify as needed)

## **1. Statement of Housing Needs**

[24 CFR Part 903.79 (a)]

*Housing needs will be addressed through attrition, application for new funding and building new affordable housing units.*

*The Section 8 program has approximately 810 turnovers per year. Public Housing has approximately 60 turnovers per year.*

*Over the past 10 year's the Housing Authority of the County of Santa Clara has developed over 2,800 units of affordable housing. In addition, the purchase and rehabilitation of available buildings that are suitable for low-income tenants is a goal.*

### **A. Housing Needs of Families in the Jurisdiction/s Served by the PHA**

<b>Housing Needs of Families in the Jurisdiction by Family Type (Santa Clara County)</b>							
<b>Family Type</b>	<b>Overall</b>	<b>Afford- ability</b>	<b>Supply</b>	<b>Quality</b>	<b>Access - ability</b>	<b>Size</b>	<b>Locati on</b>
Income <= 30% of AMI	40,840	5	5	3	N/A	5	3
Income >30% but <=50% of AMI	31,874	5	5	3	N/A	5	3
Income >50% but <80% of AMI	28,373	5	5	3	N/A	4	3
Elderly	17,128 (combined total based on income %'s)	5	5	3	N/A	2	3
Families with	55,715	5	5	3	N/A	4	3

Housing Needs of Families in the Jurisdiction by Family Type (Santa Clara County)							
Family Type	Overall	Afford- ability	Supply	Quality	Access - ability	Size	Locati on
Disabilities							
Other							

What sources of information did the PHA use to conduct this analysis? (Check all that apply; all materials must be made available for public inspection.)

- Consolidated Plan of the Jurisdiction/s  
Indicate year: 2000-2005
- U.S. Census data: the Comprehensive Housing Affordability Strategy ("CHAS") dataset
- American Housing Survey data  
Indicate year:
- Other housing market study  
Indicate year:
- Other sources: (list and indicate year of information)

## B. Housing Needs of Families on the Public Housing and Section 8 Tenant- Based Assistance Waiting Lists

Housing Needs of Families on the Waiting List			
Waiting list type: (select one)			
<input checked="" type="checkbox"/>	Section 8 tenant-based assistance		
<input type="checkbox"/>	Public Housing		
<input type="checkbox"/>	Combined Section 8 and Public Housing		
<input type="checkbox"/>	Public Housing Site-Based or sub-jurisdictional waiting list (optional)		
If used, identify which development/sub jurisdiction:			
	# of families	% of total families	Annual Turnover
Waiting list total	1350	100	862
Extremely low income <=30% AMI	1293	96	
Very low income			

<b>Housing Needs of Families on the Waiting List</b>			
(>30% but <=50% AMI)	57	4	
Low income (>50% but <80% AMI)	0	0	
Families with children	530	39	
Elderly families	129	10	
Families with Disabilities	191	14	
White	790	59	
Black	255	19	
American Indian/Alaskan Native	43	3	
Asian	245	18	
Hawaiian/Pacific Islander	0	0	
Other	17	1	
Characteristics by Bedroom Size (Public Housing Only)			
1BR			
2 BR			
3 BR			
4 BR			
5 BR			
5+ BR			
Is the waiting list closed (select one)? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes If yes: How long has it been closed (# of months)? 180 Does the PHA expect to reopen the list in the PHA Plan year? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes Does the PHA permit specific categories of families onto the waiting list, even if generally closed? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			
<b>Housing Needs of Families on the PHA's Waiting Lists</b>			

Waiting list type: (select one)			
<input type="checkbox"/>	Section 8 tenant-based assistance		
<input checked="" type="checkbox"/>	Public Housing		
<input type="checkbox"/>	Combined Section 8 and Public Housing		
<input checked="" type="checkbox"/>	Public Housing Site-Based or sub-jurisdictional waiting list (optional)		
If used, identify which development/subjurisdiction:			
	# of families	# of Seniors	
Waiting list total	462	2957	
Extremely low income <=30% AMI			
Very low income (>30% but <=50% AMI)			
Low income (>50% but <80% AMI)			
Families with children			
Elderly families			
Families with Disabilities			
Race/ethnicity (White)	246	664	
Race/ethnicity (Black)	66	62	
Race/ethnicity (AI/AN)	0	36	
Race/ethnicity (Asian)	126	1848	
Race/ethnicity (Hispanic)	265	1352	
Not Declared			
Characteristics by Bedroom Size (Public Housing Only)			
1BR	88	2108	
2 BR	110	18	
3 BR	260	0	
4 BR	1		
5 BR	0		
5+ BR	0		
Is the waiting list closed (select one)? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			
If yes:			
How long has it been closed (# of months)?			
Does the PHA expect to reopen the list in the PHA Plan year? <input type="checkbox"/> No <input type="checkbox"/> Yes			
Does the PHA permit specific categories of families onto the waiting list, even if generally closed?			
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			

### C. Strategy for Addressing Needs

Provide a brief description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list **IN THE UPCOMING YEAR**, and the Agency's reasons for choosing this strategy.

#### (1) Strategies

**Need: Shortage of affordable housing for all eligible populations**

**Strategy 1. Maximize the number of affordable units available to the PHA within its current resources by:**

Select all that apply

- Employ effective maintenance and management policies to minimize the number of public housing units off-line
- Reduce turnover time for vacated public housing units
- Reduce time to renovate public housing units
- Seek replacement of public housing units lost to the inventory through mixed finance development
- Seek replacement of public housing units lost to the inventory through section 8 replacement housing resources
- Maintain or increase section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction
- Undertake measures to ensure access to affordable housing among families assisted by the PHA, regardless of unit size required
- Maintain or increase section 8 lease-up rates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration
- Maintain or increase section 8 lease-up rates by effectively screening Section 8 applicants to increase owner acceptance of program
- Participate in the Consolidated Plan development process to ensure coordination with broader community strategies
- Other (list below) *Project base up to 20% of the total allocation for the County*

**Strategy 2: Increase the number of affordable housing units by:**

Select all that apply

- Apply for additional section 8 units should they become available
- Leverage affordable housing resources in the community through the creation of mixed - finance housing
- Pursue housing resources other than public housing or Section 8 tenant-based assistance.
- Other: (list below)

**Need: Specific Family Types: Families at or below 30% of median**

**Strategy 1: Target available assistance to families at or below 30 % of AMI**

Select all that apply

- Exceed HUD federal targeting requirements for families at or below 30% of AMI in public housing

- Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant-based section 8 assistance
- Employ admissions preferences aimed at families with economic hardships
- Adopt rent policies to support and encourage work
- Other: (list below)

**Need: Specific Family Types: Families at or below 50% of median**

**Strategy 1: Target available assistance to families at or below 50% of AMI**

Select all that apply

- Employ admissions preferences aimed at families who are working
- Adopt rent policies to support and encourage work
- Other: (list below)

**Need: Specific Family Types: The Elderly**

**Strategy 1: Target available assistance to the elderly:**

Select all that apply

- Seek designation of public housing for the elderly
- Apply for special-purpose vouchers targeted to the elderly, should they become available
- Other: (list below) Continue to support Social Services partnerships with all programs that assist seniors in public housing and Section 8 clients.

**Need: Specific Family Types: Families with Disabilities**

**Strategy 1: Target available assistance to Families with Disabilities:**

Select all that apply

- Seek designation of public housing for families with disabilities
- Carry out the modifications needed in public housing based on the section 504 Needs Assessment for Public Housing
- Apply for special-purpose vouchers targeted to families with disabilities, should they become available
- Affirmatively market to local non-profit agencies that assist families with disabilities
- Other: (list below)

**Need: Specific Family Types: Races or ethnicities with disproportionate housing needs**

**Strategy 1: Increase awareness of PHA resources among families of races and ethnicities with disproportionate needs:**

Select if applicable

- Affirmatively market to races/ethnicities shown to have disproportionate housing needs
- Other: (list below)

**Strategy 2: Conduct activities to affirmatively further fair housing**

Select all that apply

- Counsel section 8 tenants as to location of units outside of areas of poverty or minority concentration and assist them to locate those units
- Market the section 8 program to owners outside of areas of poverty /minority concentrations
- Other: (list below) *Provide ongoing staff training conducted by fair housing agencies as well as owner education and outreach. Maintain good working relationships with fair housing groups and task forces. The Housing Authority's website refers to HUD's link [www.hud.gov/fairhsg1.html](http://www.hud.gov/fairhsg1.html).*

**Other Housing Needs & Strategies: (list needs and strategies below)**

**(2) Reasons for Selecting Strategies**

Of the factors listed below, select all that influenced the PHA's selection of the strategies it will pursue:

- Funding constraints
- Staffing constraints
- Limited availability of sites for assisted housing
- Extent to which particular housing needs are met by other organizations in the community
- Evidence of housing needs as demonstrated in the Consolidated Plan and other information available to the PHA
- Influence of the housing market on PHA programs
- Community priorities regarding housing assistance
- Results of consultation with local or state government
- Results of consultation with residents and the Resident Advisory Board

- Results of consultation with advocacy groups  
 Other: (list below)

## **2. Statement of Financial Resources**

[24 CFR Part 903.79 (b)]

List the financial resources that are anticipated to be available to the PHA for the support of Federal public housing and tenant-based Section 8 assistance programs administered by the PHA during the Plan year. Note: the table assumes that Federal public housing or tenant based Section 8 assistance grant funds are expended on eligible purposes; therefore, uses of these funds need not be stated. For other funds, indicate the use for those funds as one of the following categories: public housing operations, public housing capital improvements, public housing safety/security, public housing supportive services, Section 8 tenant-based assistance, Section 8 supportive services or other.

<b>Financial Resources: Planned Sources and Uses</b>		
<b>Sources</b>	<b>Planned \$</b>	<b>Planned Uses</b>
<b>1. Federal Grants (FY 2000 grants)</b>		
a) Public Housing Operating Fund	810,074	949,604
b) Public Housing Capital Fund	1,046,711	1,010,760
c) HOPE VI Revitalization	0	
d) HOPE VI Demolition	0	
e) Annual Contributions for Section 8 Tenant-Based Assistance	153,124,595	134,442,568
f) Public Housing Drug Elimination Program (including any Technical Assistance funds)	0	
g) Resident Opportunity and Self-Sufficiency Grants	125,000	
h) Community Development Block Grant	0	
i) HOME	0	
Other Federal Grants (list below)		
Winter Shelter Grant	239,000	264,300
Resident Program	66,583	13,320
<b>2. Section 8 new construction</b>		428,855
Section 8 Mod Rehab.		1,135,031
<b>3. Public Housing Dwelling Rental Income</b>	1,839,403	1,781,995

<b>Financial Resources: Planned Sources and Uses</b>		
<b>Sources</b>	<b>Planned \$</b>	<b>Planned Uses</b>
<b>4. Other income</b> (list below)		
Rincon Meal Service	303,257	322,629
Management Fees	1,465,461	991,466
Developer Fees	915,409	340,036
Billed Services	3,979,513	3,747,307
Other Income	327,870	624,128
<b>4. Non-federal sources</b> (list below)		
California Office of Migrant Services	368,891	378,673
County of Santa Clara	543,490	225,221
Cities within Santa Clara County	70,351	29,567
<b>Total resources</b>	<b>165,225,608</b>	<b>146,685,460</b>

### **3. PHA Policies Governing Eligibility, Selection, and Admissions**

[24 CFR Part 903.7 9 (c)]

#### **A. Public Housing**

Exemptions: PHAs that do not administer public housing are not required to complete subcomponent 3A.

##### **(1) Eligibility**

a. When does the PHA verify eligibility for admission to public housing? (select all that apply)

- When families are within a certain number of being offered a unit: (state number)
- When families are within a certain time of being offered a unit: (Based on time and date interest list form received and entered.)
- Other: (describe)

b. Which non-income (screening) factors does the PHA use to establish eligibility for admission to public housing (select all that apply)?

- Criminal or Drug-related activity, disclosed by client
- Rental history
- Housekeeping
- Other (describe) *Screen public records for criminal activity*

- c.  Yes  No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?
- d.  Yes  No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?
- e.  Yes  No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)

**(2)Waiting List Organization**

a. Which methods does the PHA plan to use to organize its public housing waiting list (select all that apply)

- Community-wide list
- Sub-jurisdictional lists
- Site-based waiting lists
- Other (describe)

b. Where may interested persons apply for admission to public housing?

- PHA main administrative office
- PHA development site management office
- Other (list below)

*Persons interested in placing their name on the waiting list are given an opportunity to complete an interest list form by calling or going to the Housing Authority's main office or any of its housing complexes. A public notice will be placed in the local newspapers, minority publications, local agencies, the agency's website ([www.hacsc.org](http://www.hacsc.org)) and media entities when any public housing waiting list reopens. Any person asking to be placed on a waiting list for rental assistance will be given the opportunity to complete an interest list form. When the form is submitted to the Housing Authority, the family's date and time of application for placement order on that property's waiting list is established.*

c. If the PHA plans to operate one or more site-based waiting lists in the coming year, answer each of the following questions; if not, skip to subsection **(3) Assignment**

1. How many site-based waiting lists will the PHA operate in the coming year? 5

2.  Yes  No: Are any or all of the PHA's site-based waiting lists new for the upcoming year (that is, they are not part of a previously-HUD-approved site based waiting list plan)?

If yes, how many lists? 0

3.  Yes  No: May families be on more than one list simultaneously  
If yes, how many lists? 5
4. Where can interested persons obtain more information about and sign up to be on the site-based waiting lists (select all that apply)?
- PHA main administrative office
  - All PHA development management offices
  - Management offices at developments with site-based waiting lists
  - At the development to which they would like to apply
  - Other (list below) *The Housing Authority's website* [www.hacsc.org](http://www.hacsc.org)

### **(3) Assignment**

- a. How many vacant unit choices are applicants ordinarily given before they fall to the bottom of or are removed from the waiting list? (select one)
- One
  - Two
  - Three or More
- b.  Yes  No: Is this policy consistent across all waiting list types?
- c. If answer to b is no, list variations for any other than the primary public housing waiting list/s for the PHA:

### **(4) Admissions Preferences**

- a. Income targeting:
- Yes  No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 40% of all new admissions to public housing to families at or below 30% of median area income?
- b. Transfer policies:
- In what circumstances will transfers take precedence over new admissions? (list below)
- Emergencies
  - Overhoused
  - Underhoused
  - Medical justification
  - Administrative reasons determined by the PHA (e.g., to permit modernization work)
  - Resident choice: (state circumstances below)

Other: (list below)

c. Preferences

1.  Yes  No: Has the PHA established preferences for admission to public housing (other than date and time of application)? (If “no” is selected, skip to subsection **(5) Occupancy**)

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences:

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness
- High rent burden (rent is > 50 percent of income)

Other preferences: (select below)

- Working families and those unable to work because of age or disability
- Veterans and veterans’ families
- Residents who live and/or work in the jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

3. If the PHA will employ admissions preferences, please prioritize by placing a “1” in the space that represents your first priority, a “2” in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use “1” more than once, “2” more than once, etc.

Date and Time

Former Federal preferences:

Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)

Victims of domestic violence  
Substandard housing  
Homelessness  
High rent burden

Other preferences (select all that apply)

- Working families and those unable to work because of age or disability
- Veterans and veterans' families
- Residents who live and/or work in the jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

4. Relationship of preferences to income targeting requirements:

- The PHA applies preferences within income tiers
- Not applicable: *The pool of applicant families ensures that the PHA will meet income targeting requirements.*

### **(5) Occupancy**

a. What reference materials can applicants and residents use to obtain information about the rules of occupancy of public housing (select all that apply)

- The PHA-resident lease
- The PHA's Admissions and (Continued) Occupancy policy
- PHA briefing seminars or written materials
- Other source (list)

b. How often must residents notify the PHA of changes in family composition? (select all that apply)

- At an annual reexamination and lease renewal
- Any time family composition changes
- At family request for revision
- Other (list)

**(6) Deconcentration and Income Mixing**

a.  Yes  No: Did the PHA's analysis of its family (general occupancy) developments to determine concentrations of poverty indicate the need for measures to promote deconcentration of poverty or income mixing?

b.  Yes  No: Did the PHA adopt any changes to its **admissions policies** based on the results of the required analysis of the need to promote deconcentration of poverty or to assure income mixing?

c. If the answer to b was yes, what changes were adopted? (select all that apply)

Adoption of site-based waiting lists  
If selected, list targeted developments below:

Employing waiting list "skipping" to achieve deconcentration of poverty or income mixing goals at targeted developments  
If selected, list targeted developments below:

Employing new admission preferences at targeted developments  
If selected, list targeted developments below:

Other (list policies and developments targeted below)

d.  Yes  No: Did the PHA adopt any changes to **other** policies based on the results of the required analysis of the need for deconcentration of poverty and income mixing?

e. If the answer to d was yes, how would you describe these changes? (select all that apply)

- Additional affirmative marketing
- Actions to improve the marketability of certain developments
- Adoption or adjustment of ceiling rents for certain developments
- Adoption of rent incentives to encourage deconcentration of poverty and income-mixing
- Other (list below)

f. Based on the results of the required analysis, in which developments will the PHA make special efforts to attract or retain higher-income families? (select all that apply)

- Not applicable: results of analysis did not indicate a need for such efforts
- List (any applicable) developments below:

g. Based on the results of the required analysis, in which developments will the PHA make special efforts to assure access for lower-income families? (select all that apply)

- Not applicable: results of analysis did not indicate a need for such efforts  
 List (any applicable) developments below:

## **B. Section 8**

Exemptions: PHAs that do not administer section 8 are not required to complete sub-component 3B.  
**Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).**

### **(1) Eligibility**

a. What is the extent of screening conducted by the PHA? (select all that apply)

- Criminal or drug-related activity only to the extent required by law or regulation  
 Criminal and drug-related activity, more extensively than required by law or regulation  
 More general screening than criminal and drug-related activity (list factors below)  
 Other (list below)

b.  Yes  No: Does the PHA request criminal records from local law enforcement agencies for screening purposes?

c.  Yes  No: Does the PHA request criminal records from State law enforcement agencies for screening purposes?

d.  Yes  No: Does the PHA access FBI criminal records from the FBI for screening purposes? (either directly or through an NCIC-authorized source)

e. Indicate what kinds of information you share with prospective landlords? (select all that apply)

- Criminal or drug-related activity  
 Other (describe below)

### **(2) Waiting List Organization**

a. With which of the following program waiting lists is the section 8 tenant-based assistance waiting list merged? (select all that apply)

- None  
 Federal public housing  
 Federal moderate rehabilitation

- Federal project-based certificate program
- Other federal or local program (list below)

b. Where may interested persons apply for admission to section 8 tenant-based assistance?  
(select all that apply)

- PHA main administrative office
- Other (list below) *The Housing Authority's waiting list status remains closed.. When the list reopens, families may apply on-line or by mail. The Housing Authority will announce the next opening of the Waiting List in the Public Announcement section of major newspapers, including San Jose Mercury News and several foreign language newspapers as well as notifying community service agencies in Santa Clara County.*

### **(3) Search Time**

- a.  Yes  No: Does the PHA give extensions on standard 60-day period to search for a unit?

*A family may submit a written request for an extension of the voucher period beyond 60 days. All requests for extensions must be received prior to the expiration date of the voucher. Extensions may be granted at the discretion of the HA up to a maximum of an additional 60 days primarily for these reasons:*

- *Extenuating circumstances such as hospitalization or a family emergency for an extended period of time which as affected the family's ability to find a unit within the initial 60-day period. Verification is required*
- *The family was prevented from finding a unit due to disability accessibility requirements.*

### **(4) Admissions Preferences**

a. Income targeting

- Yes  No: Does the PHA plan to exceed the federal targeting requirements by targeting more than 75% of all new admissions to the section 8 program to families at or below 30% of median area income?

b. Preferences

1.  Yes  No: Has the PHA established preferences for admission to section 8 tenant-based assistance? (other than date and time of application) (if no,

skip to subcomponent (5) **Special purpose section 8 assistance programs**)

2. Which of the following admission preferences does the PHA plan to employ in the coming year? (select all that apply from either former Federal preferences or other preferences)

Former Federal preferences

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- Homelessness –
- High rent burden (rent is > 50 percent of income)

Other preferences (select all that apply)

- Working families and those unable to work because of age or disability
- Veterans and veterans' families
- Residents who live and/or work in your jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) *Federal declared disaster*

3. If the PHA will employ admissions preferences, please prioritize by placing a “1” in the space that represents your first priority, a “2” in the box representing your second priority, and so on. If you give equal weight to one or more of these choices (either through an absolute hierarchy or through a point system), place the same number next to each. That means you can use “1” more than once, “2” more than once, etc.

Date and Time

Former Federal preferences

- Involuntary Displacement (Disaster, Government Action, Action of Housing Owner, Inaccessibility, Property Disposition)
- Victims of domestic violence
- Substandard housing
- 1 Homelessness
- High rent burden
- 1 Other – Federal declared disaster

Other preferences (select all that apply)

- Working families and those unable to work because of age or disability
- Veterans and veterans' families
- Residents who live and/or work in your jurisdiction
- Those enrolled currently in educational, training, or upward mobility programs
- Households that contribute to meeting income goals (broad range of incomes)
- Households that contribute to meeting income requirements (targeting)
- Those previously enrolled in educational, training, or upward mobility programs
- Victims of reprisals or hate crimes
- Other preference(s) (list below)

4. Among applicants on the waiting list with equal preference status, how are applicants selected? (select one)

- Date and time of application
- Drawing (lottery) or other random choice technique

5. If the PHA plans to employ preferences for "residents who live and/or work in the jurisdiction" (select one)

- This preference has previously been reviewed and approved by HUD
- The PHA requests approval for this preference through this PHA Plan

6. Relationship of preferences to income targeting requirements: (select one)

- The PHA applies preferences within income tiers
- Not applicable: the pool of applicant families ensures that the PHA will meet income targeting requirements

#### **(5) Special Purpose Section 8 Assistance Programs**

a. In which documents or other reference materials are the policies governing eligibility, selection, and admissions to any special-purpose section 8 program administered by the PHA contained? (select all that apply)

- The Section 8 Administrative Plan
- Briefing sessions and written materials
- Other (list below)  
The Housing Authority's website [www.hacsc.org](http://www.hacsc.org)

b. How does the PHA announce the availability of any special-purpose section 8 programs to the public?

- Through published notices
- Other (list below) The Housing Authority's website, [www.hacsc.org](http://www.hacsc.org)

#### **4. PHA Rent Determination Policies**

[24 CFR Part 903.7 9 (d)]

##### **A. Public Housing**

Exemptions: PHAs that do not administer public housing are not required to complete sub-component 4A.

##### **(1) Income Based Rent Policies**

Describe the PHA's income based rent setting policy/ies for public housing using, including discretionary (that is, not required by statute or regulation) income disregards and exclusions, in the appropriate spaces below.

a. Use of discretionary policies: (select one)

- The PHA will not employ any discretionary rent-setting policies for income based rent in public housing. Income-based rents are set at the higher of 30% of adjusted monthly income, 10% of unadjusted monthly income, the welfare rent, or minimum rent (less HUD mandatory deductions and exclusions). (If selected, skip to sub-component (2))

---or---

- The PHA employs discretionary policies for determining income based rent (If selected, continue to question b.)

b. Minimum Rent

1. What amount best reflects the PHA's minimum rent? (select one)

- \$0
- \$1-\$25
- \$26-\$50

2.  Yes  No: Has the PHA adopted any discretionary minimum rent hardship exemption policies?

3. If yes to question 2, list these policies below: *provided as separate (attachment x)*

c. Rents set at less than 30% than adjusted income

1.  Yes  No: Does the PHA plan to charge rents at a fixed amount or percentage less than 30% of adjusted income?

2. If yes to above, list the amounts or percentages charged and the circumstances under which these will be used below:

d. Which of the discretionary (optional) deductions and/or exclusions policies does the PHA plan to employ (select all that apply)

For the earned income of a previously unemployed household member

For increases in earned income

Fixed amount (other than general rent-setting policy)

If yes, state amount/s and circumstances below:

Fixed percentage (other than general rent-setting policy)

If yes, state percentage/s and circumstances below:

For household heads

For other family members

For transportation expenses

For the non-reimbursed medical expenses of non-disabled or non-elderly families

Other (describe below)

e. Ceiling rents

1. Do you have ceiling rents? (rents set at a level lower than 30% of adjusted income) (select one)

Yes for all developments

Yes but only for some developments

No

2. For which kinds of developments are ceiling rents in place? (select all that apply)

For all developments

For all general occupancy developments (not elderly or disabled or elderly only)

For specified general occupancy developments

For certain parts of developments; e.g., the high-rise portion

For certain size units; e.g., larger bedroom sizes

Other (list below)

3. Select the space or spaces that best describe how you arrive at ceiling rents (select all that apply)

- Market comparability study
- Fair market rents (FMR)
- 95<sup>th</sup> percentile rents
- 75 percent of operating costs
- 100 percent of operating costs for general occupancy (family) developments
- Operating costs plus debt service
- The "rental value" of the unit
- Other (list below)

f. Rent re-determinations:

1. Between income reexaminations, how often must tenants report changes in income or family composition to the PHA such that the changes result in an adjustment to rent? (select all that apply)

- Never
- At family option
- Any time the family experiences an income increase
- Any time a family experiences an income increase above a threshold amount or percentage: (if selected, specify threshold) *\$40.00 a month.*
- Other (list below)

g.  Yes  No: Does the PHA plan to implement individual savings accounts for residents (ISAs) as an alternative to the required 12 month disallowance of earned income and phasing in of rent increases in the next year?

## **(2) Flat Rents**

1. In setting the market-based flat rents, what sources of information did the PHA use to establish comparability? (select all that apply.)

- The section 8 rent reasonableness study of comparable housing
- Survey of rents listed in local newspaper
- Survey of similar unassisted units in the neighborhood
- Other (list/describe below)

*The Housing Authority of the County of Santa Clara used The Fiscal Year 2003 Fair Market Rents based on the 40<sup>th</sup> percentile published by The Department of Housing and Urban Development.*

## **B. Section 8 Tenant-Based Assistance**

Exemptions: PHAs that do not administer Section 8 tenant-based assistance are not required to complete sub-component 4B. **Unless otherwise specified, all questions in this section apply only to the tenant-based section 8 assistance program (vouchers, and until completely merged into the voucher program, certificates).**

### **(1) Payment Standards**

Describe the voucher payment standards and policies.

a. What is the PHA's payment standard? (select the category that best describes your standard)

- At or above 90% but below 100% of FMR
- 100% of FMR
- Above 100% but at or below 110% of FMR
- Above 110% of FMR (if HUD approved; describe circumstances below)

b. If the payment standard is lower than FMR, why has the PHA selected this standard? (select all that apply)

- FMRs are adequate to ensure success among assisted families in the PHA's segment of the FMR area
- The PHA has chosen to serve additional families by lowering the payment standard
- Reflects market or submarket
- Other (list below)

c. If the payment standard is higher than FMR, why has the PHA chosen this level? (select all that apply)

- FMRs are not adequate to ensure success among assisted families in the PHA's segment of the FMR area
- Reflects market or submarket
- To increase housing options for families
- Other (list below) *The Housing Authority's payment standard is currently at 90% of the FMR.*

d. How often are payment standards reevaluated for adequacy? (select one)

- Annually
- Other (list below)

e. What factors will the PHA consider in its assessment of the adequacy of its payment standard? (select all that apply)

Success rates of assisted families

Rent burdens of assisted families

Other (list below)

*Rental comparability data in relation to rents currently charged by other owners for comparable unit in the unassisted market.*

## **(2) Minimum Rent**

a. What amount best reflects the PHA's minimum rent? (select one)

\$0

\$1-\$25

\$26-\$50

b.  Yes  No: Has the PHA adopted any discretionary minimum rent hardship exemption policies? (if yes, list below)

*The Housing Authority recognizes that in some circumstances even the minimum rent may create a financial hardship for families. The HA will review all relevant circumstances brought to the Housing Authority's attention regarding financial hardship as it applies to the minimum rent. The Housing Authority's policies and procedures regarding minimum rent financial hardship as set forth by the Quality Housing and Work Responsibility Act of 1998 can be found in Chapter 6 of the HA's Administrative Plan and can be accessed at [www.hacsc.org](http://www.hacsc.org).*

## **5. Operations and Management**

[24 CFR Part 903.7 9 (e)]

Exemptions from Component 5: High performing and small PHAs are not required to complete this section. Section 8 only PHAs must complete parts A, B, and C(2)

### **A. PHA Management Structure**

Describe the PHA's management structure and organization.

(select one)

An organization chart showing the PHA's management structure and organization is attached.

A brief description of the management structure and organization of the PHA follows:

**B. HUD Programs Under PHA Management.**

— List Federal programs administered by the PHA, number of families served at the beginning of the upcoming fiscal year, and expected turnover in each. (Use “NA” to indicate that the PHA does not operate any of the programs listed below.)

<b>Program Name</b>	<b>Units or Families Served at Year Beginning</b>	<b>Expected Turnover</b>
Public Housing	555	60
Section 8 Vouchers	2359	431
Section 8 Mod Rehab		
Special Purpose Section 8 Certificates/Vouchers (list individually)	1114	50
Public Housing Drug Elimination Program (PHDEP)		
Other Federal Programs(list individually)		
Shelter Plus Care	199	24

**C. Management and Maintenance Policies**

List the PHA’s public housing management and maintenance policy documents, manuals and handbooks that contain the Agency’s rules, standards, and policies that govern maintenance and management of public housing, including a description of any measures necessary for the prevention or eradication of pest infestation (which includes cockroach infestation) and the policies governing Section 8 management.

- (1) Public Housing Maintenance and Management: (list below)
  - A. *Property Management Policies and Procedures Manual*
  - B. *Public Housing and Admissions and Continued Occupancy Plan*
  - C. *HUD Handbook 7465.1 Public Housing Occupancy Handbook*

(2) Section 8 Management: (list below)  
*Section 8 Administrative Plan*

## **6. PHA Grievance Procedures**

[24 CFR Part 903.7 9 (f)]

Exemptions from component 6: High performing PHAs are not required to complete component 6.  
Section 8-Only PHAs are exempt from sub-component 6A.

### **A. Public Housing**

1.  Yes  No: Has the PHA established any written grievance procedures in addition to federal requirements found at 24 CFR Part 966, Subpart B, for residents of public housing?

If yes, list additions to federal requirements below:

2. Which PHA office should residents or applicants to public housing contact to initiate the PHA grievance process? (select all that apply)
- PHA main administrative office
  - PHA development management offices
  - Other (list below)

### **B. Section 8 Tenant-Based Assistance**

1.  Yes  No: Has the PHA established informal review procedures for applicants to the Section 8 tenant-based assistance program and informal hearing procedures for families assisted by the Section 8 tenant-based assistance program in addition to federal requirements found at 24 CFR 982?

If yes, list additions to federal requirements below:

2. Which PHA office should applicants or assisted families contact to initiate the informal review and informal hearing processes? (select all that apply)
- PHA main administrative office
  - Other (list below)

## **7. Capital Improvement Needs**

[24 CFR Part 903.7 9 (g)]

Exemptions from Component 7: Section 8 only PHAs are not required to complete this component and may skip to Component 8.

### **A. Capital Fund Activities**

Exemptions from sub-component 7A: PHAs that will not participate in the Capital Fund Program may skip to component 7B. All other PHAs must complete 7A as instructed.

#### **(1) Capital Fund Program Annual Statement**

Using parts I, II, and III of the Annual Statement for the Capital Fund Program (CFP), identify capital activities the PHA is proposing for the upcoming year to ensure long-term physical and social viability of its public housing developments. This statement can be completed by using the CFP Annual Statement tables provided in the table library at the end of the PHA Plan template **OR**, at the PHA's option, by completing and attaching a properly updated HUD-52837.

Select one:

The Capital Fund Program Annual Statement is provided as an attachment to the PHA Plan at Attachment (state name) *attachment J*

-or-

The Capital Fund Program Annual Statement is provided below: (if selected, copy the CFP Annual Statement from the Table Library and insert here)

#### **(2) Optional 5-Year Action Plan**

Agencies are encouraged to include a 5-Year Action Plan covering capital work items. This statement can be completed by using the 5 Year Action Plan table provided in the table library at the end of the PHA Plan template **OR** by completing and attaching a properly updated HUD-52834.

a.  Yes  No: Is the PHA providing an optional 5-Year Action Plan for the Capital Fund? (if no, skip to sub-component 7B)

b. If yes to question a, select one:

The Capital Fund Program 5-Year Action Plan is provided as an attachment to the PHA Plan at Attachment: *Attachment K*

-or-

The Capital Fund Program 5-Year Action Plan is provided below: (if selected, copy the CFP optional 5 Year Action Plan from the Table Library and insert here)

### **B. HOPE VI and Public Housing Development and Replacement Activities (Non-Capital Fund)**

Applicability of sub-component 7B: All PHAs administering public housing. Identify any approved HOPE VI and/or public housing development or replacement activities not described in the Capital Fund Program Annual Statement.

- Yes  No: a) Has the PHA received a HOPE VI revitalization grant? (if no, skip to question c; if yes, provide responses to question b for each grant, copying and completing as many times as necessary)
- b) Status of HOPE VI revitalization grant (complete one set of questions for each grant)

1. Development name:
2. Development (project) number:
3. Status of grant: (select the statement that best describes the current status)
  - Revitalization Plan under development
  - Revitalization Plan submitted, pending approval
  - Revitalization Plan approved
  - Activities pursuant to an approved Revitalization Plan underway

- Yes  No: c) Does the PHA plan to apply for a HOPE VI Revitalization grant in the Plan year?  
If yes, list development name/s below:

- Yes  No: d) Will the PHA be engaging in any mixed-finance development activities for public housing in the Plan year?  
If yes, list developments or activities below:

- Yes  No: e) Will the PHA be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement?  
If yes, list developments or activities below:

## **8. Demolition and Disposition**

[24 CFR Part 903.7.9 (h)]

Applicability of component 8: Section 8 only PHAs are not required to complete this section.

1.  Yes  No: Does the PHA plan to conduct any demolition or disposition activities (pursuant to section 18 of the U.S. Housing Act of 1937 (42 U.S.C. 1437p)) in the plan Fiscal Year? (If "No", skip to component 9; if "yes", complete one activity description for each development.)

2. Activity Description

Yes  No: Has the PHA provided the activities description information in the **optional** Public Housing Asset Management Table? (If “yes”, skip to component 9. If “No”, complete the Activity Description table below.)

<b>Demolition/Disposition Activity Description</b>	
1a. Development name:	
1b. Development (project) number:	
2. Activity type: Demolition <input type="checkbox"/>	
Disposition <input type="checkbox"/>	
3. Application status (select one)	
Approved <input type="checkbox"/>	
Submitted, pending approval <input type="checkbox"/>	
Planned application <input type="checkbox"/>	
4. Date application approved, submitted, or planned for submission: (DD/MM/YY)	
5. Number of units affected:	
6. Coverage of action (select one)	
<input type="checkbox"/> Part of the development	
<input type="checkbox"/> Total development	
7. Timeline for activity:	
a. Actual or projected start date of activity:	
b. Projected end date of activity:	

**9. Designation of Public Housing for Occupancy by Elderly Families or Families with Disabilities or Elderly Families and Families with Disabilities**

[24 CFR Part 903.7 9 (i)]

Exemptions from Component 9; Section 8 only PHAs are not required to complete this section.

1.  Yes  No: Has the PHA designated or applied for approval to designate or does the PHA plan to apply to designate any public housing for occupancy only by the elderly families or only by families with disabilities, or by elderly families and families with disabilities or will apply for designation for occupancy by only elderly families or only families with disabilities, or by elderly families and families with disabilities as provided by section 7 of the U.S. Housing Act of 1937 (42 U.S.C. 1437e) in the upcoming fiscal year? (If “No”, skip to component 10. If “yes”, complete one activity description for each

development, unless the PHA is eligible to complete a streamlined submission; PHAs completing streamlined submissions may skip to component 10.)

**2. Activity Description**

Yes  No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If “yes”, skip to component 10. If “No”, complete the Activity Description table below.

<b>Designation of Public Housing Activity Description</b>	
1a. Development name:	
1b. Development (project) number:	
2. Designation type:	
Occupancy by only the elderly	<input type="checkbox"/>
Occupancy by families with disabilities	<input type="checkbox"/>
Occupancy by only elderly families and families with disabilities	<input type="checkbox"/>
3. Application status (select one)	
Approved; included in the PHA’s Designation Plan	<input type="checkbox"/>
Submitted, pending approval	<input type="checkbox"/>
Planned application	<input type="checkbox"/>
4. Date this designation approved, submitted, or planned for submission:	<u>(DD/MM/YY)</u>
5. If approved, will this designation constitute a (select one)	
<input type="checkbox"/> New Designation Plan	
<input type="checkbox"/> Revision of a previously-approved Designation Plan?	
6. Number of units affected:	
7. Coverage of action (select one)	
<input type="checkbox"/> Part of the development	
<input type="checkbox"/> Total development	

**10. Conversion of Public Housing to Tenant-Based Assistance**

[24 CFR Part 903.7 9 (j)]

Exemptions from Component 10; Section 8 only PHAs are not required to complete this section.

**A. Assessments of Reasonable Revitalization Pursuant to section 202 of the HUD FY 1996 HUD Appropriations Act**

1.  Yes  No: Have any of the PHA’s developments or portions of developments been identified by HUD or the PHA as covered under section 202 of the HUD FY 1996 HUD Appropriations Act? (If “No”, skip to component 11; if “yes”, complete one activity description for each

identified development, unless eligible to complete a streamlined submission. PHAs completing streamlined submissions may skip to component 11.)

**2. Activity Description**

Yes  No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? If “yes”, skip to component 11. If “No”, complete the Activity Description table below.

<b>Conversion of Public Housing Activity Description</b>	
1a. Development name:	
1b. Development (project) number:	
2. What is the status of the required assessment?	
<input type="checkbox"/> Assessment underway <input type="checkbox"/> Assessment results submitted to HUD <input type="checkbox"/> Assessment results approved by HUD (if marked, proceed to next question) <input type="checkbox"/> Other (explain below)	
3. <input type="checkbox"/> Yes <input type="checkbox"/> No: Is a Conversion Plan required? (If yes, go to block 4; if no, go to block 5.)	
4. Status of Conversion Plan (select the statement that best describes the current status)	
<input type="checkbox"/> Conversion Plan in development <input type="checkbox"/> Conversion Plan submitted to HUD on: (DD/MM/YYYY) <input type="checkbox"/> Conversion Plan approved by HUD on: (DD/MM/YYYY) <input type="checkbox"/> Activities pursuant to HUD-approved Conversion Plan underway	
5. Description of how requirements of Section 202 are being satisfied by means other than conversion (select one)	
<input type="checkbox"/> Units addressed in a pending or approved demolition application (date submitted or approved: _____) <input type="checkbox"/> Units addressed in a pending or approved HOPE VI demolition application (date submitted or approved: _____) <input type="checkbox"/> Units addressed in a pending or approved HOPE VI Revitalization Plan (date submitted or approved: _____) <input type="checkbox"/> Requirements no longer applicable: vacancy rates are less than 10 percent <input type="checkbox"/> Requirements no longer applicable: site now has less than 300 units <input type="checkbox"/> Other: (describe below)	

**B. Reserved for Conversions pursuant to Section 22 of the U.S. Housing Act of 1937**

**C. Reserved for Conversions pursuant to Section 33 of the U.S. Housing Act of 1937**

**11. Homeownership Programs Administered by the PHA**

[24 CFR Part 903.7 9 (k)]

**A. Public Housing**

Exemptions from Component 11A: Section 8 only PHAs are not required to complete 11A.

1.  Yes  No: Does the PHA administer any homeownership programs administered by the PHA under an approved section 5(h) homeownership program (42 U.S.C. 1437c(h)), or an approved HOPE I program (42 U.S.C. 1437aaa) or has the PHA applied or plan to apply to administer any homeownership programs under section 5(h), the HOPE I program, or section 32 of the U.S. Housing Act of 1937 (42 U.S.C. 1437z-4). (If “No”, skip to component 11B; if “yes”, complete one activity description for each applicable program/plan, unless eligible to complete a streamlined submission due to **small PHA** or **high performing PHA** status. PHAs completing streamlined submissions may skip to component 11B.)

2. Activity Description

Yes  No: Has the PHA provided all required activity description information for this component in the **optional** Public Housing Asset Management Table? (If “yes”, skip to component 12. If “No”, complete the Activity Description table below.)

<b>Public Housing Homeownership Activity Description (Complete one for each development affected)</b>	
1a. Development name:	
1b. Development (project) number:	
2. Federal Program authority:	
<input type="checkbox"/>	HOPE I
<input type="checkbox"/>	5(h)
<input type="checkbox"/>	Turnkey III
<input type="checkbox"/>	Section 32 of the USHA of 1937 (effective 10/1/99)
3. Application status: (select one)	

<input type="checkbox"/> Approved; included in the PHA's Homeownership Plan/Program <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application
4. Date Homeownership Plan/Program approved, submitted, or planned for submission: (DD/MM/YYYY)
5. Number of units affected: 6. Coverage of action: (select one) <input type="checkbox"/> Part of the development <input type="checkbox"/> Total development

## B. Section 8 Tenant Based Assistance

1.  Yes  No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982 ? (If "No", skip to component 12; if "yes", describe each program using the table below (copy and complete questions for each program identified), unless the PHA is eligible to complete a streamlined submission due to high performer status. **High performing PHAs** may skip to component 12.)

2. Program Description: see attachment t

a. Size of Program

- Yes  No: Will the PHA limit the number of families participating in the section 8 homeownership option? *Minimum goal of 5 to a maximum of 100. Depending on resources, market and participation by families and lenders.*

If the answer to the question above was yes, which statement best describes the number of participants? (select one)

- 25 or fewer participants  
 26 - 50 participants  
 51 to 100 participants  
 more than 100 participants

b. PHA-established eligibility criteria

- Yes  No: Will the PHA's program have eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria?  
If yes, list criteria below:  
➤ *Family Self-Sufficiency participant or graduate have priority*

- *Elderly head of households or their spouses who are persons with disabilities who are not part of the FSS Program*

## **12. PHA Community Service and Self-sufficiency Programs**

[24 CFR Part 903.7 9 (l)]

Exemptions from Component 12: High performing and small PHAs are not required to complete this component. Section 8-Only PHAs are not required to complete sub-component C.

### **A. PHA Coordination with the Welfare (TANF) Agency**

#### 1. Cooperative agreements:

- Yes  No: Has the PHA entered into a cooperative agreement with the TANF Agency, to share information and/or target supportive services (as contemplated by section 12(d)(7) of the Housing Act of 1937)?

If yes, what was the date that agreement was signed? 04/23/99

#### 2. Other coordination efforts between the PHA and TANF agency (select all that apply)

- Client referrals
- Information sharing regarding mutual clients (for rent determinations and otherwise)
- Coordinate the provision of specific social and self-sufficiency services and programs to eligible families
- Jointly administer programs
- Partner to administer a HUD Welfare-to-Work voucher program
- Joint administration of other demonstration program
- Other (describe)

### **B. Services and programs offered to residents and participants**

#### **(1) General**

##### a. Self-Sufficiency Policies

Which, if any of the following discretionary policies will the PHA employ to enhance the economic and social self-sufficiency of assisted families in the following areas?

(select all that apply)

- Public housing rent determination policies
- Public housing admissions policies
- Section 8 admissions policies
- Preference in admission to section 8 for certain public housing families

- Preferences for families working or engaging in training or education programs for non-housing programs operated or coordinated by the PHA
- Preference/eligibility for public housing homeownership option participation
- Preference/eligibility for section 8 homeownership option participation
- Other policies (list below)

b. Economic and Social self-sufficiency programs

Yes  No: Does the PHA coordinate, promote or provide any programs to enhance the economic and social self-sufficiency of residents? (If “yes”, complete the following table; if “no” skip to sub-component 2, Family Self Sufficiency Programs. The position of the table may be altered to facilitate its use. )

<b>Services and Programs</b>				
Program Name & Description (including location, if appropriate)	Estimated Size	Allocation Method (waiting list/random selection/specific criteria/other)	Access (development office / PHA main office / other provider name)	Eligibility (public housing or section 8 participants or both)
<i>Tenant Scholarships</i>	<i>30+</i>	<i>Application</i>	<i>Main Office</i>	<i>Both</i>
<i>Work Force Investment Act Mandatory Partner</i>		<i>Other</i>	<i>Information regarding job training will be shared with tenants and residents main office sites</i>	
<i>Partnership w/CalWORKS/SSA</i>	<i>1066+80 = 1146</i>	<i>At present 1114 are housed</i>	<i>Community Services</i>	<i>Section 8</i>
<i>Technology Training (Senior Public Housing Residents)</i>	<i>60</i>	<i>Application</i>	<i>Resident Programs Coordinator, Senior Public Housing Complexes</i>	<i>Public Housing</i>
<i>Women Leading Change (FSS). A partnership between United Way, WLC funders, Lenders for Community Development (LCD) and the Housing Authority to teach financial literacy by implementing an IDA program, and support network.</i>	<i>50 by 12/31/06</i>	<i>The first 50 incoming employed FSS female, single heads of household with a 3 year work history, 6 mnths of continuous employment and</i>	<i>Community Services</i>	<i>Section 8</i>

		<i>“reasonable credit” who have not already participated in an LCD/IDA program.</i>		
--	--	---	--	--

**(2) Family Self Sufficiency program/s**

a. Participation Description

<b>Family Self Sufficiency (FSS) Participation</b>		
Program	Required Number of Participants (start of FY 2000 Estimate)	Actual Number of Participants (As of: DD/MM/YY)
Public Housing	37 originally. 34 to go.	0
Section 8	245 originally. As of 6/30/05, 24 to go.	188 as of 2/8/06

- b.  Yes  No: If the PHA is not maintaining the minimum program size required by HUD, does the most recent FSS Action Plan address the steps the PHA plans to take to achieve at least the minimum program size?  
If no, list steps the PHA will take below:

**C. Welfare Benefit Reductions**

1. The PHA is complying with the statutory requirements of section 12(d) of the U.S. Housing Act of 1937 (relating to the treatment of income changes resulting from welfare program requirements) by: (select all that apply)

- Adopting appropriate changes to the PHA’s public housing rent determination policies and train staff to carry out those policies
- Informing residents of new policy on admission and reexamination
- Actively notifying residents of new policy at times in addition to admission and reexamination.
- Establishing or pursuing a cooperative agreement with all appropriate TANF agencies regarding the exchange of information and coordination of services
- Establishing a protocol for exchange of information with all appropriate TANF agencies
- Other: (list below)

**D. Reserved for Community Service Requirement pursuant to section 12(c) of the U.S. Housing Act of 1937**

*The Housing Authority of the County of Santa Clara's Policy for the Community Service Requirements are referenced in Attachment W.*

**13. PHA Safety and Crime Prevention Measures**

[24 CFR Part 903.79 (m)]

Exemptions from Component 13: High performing and small PHAs not participating in PHDEP and Section 8 Only PHAs may skip to component 15. High Performing and small PHAs that are participating in PHDEP and are submitting a PHDEP Plan with this PHA Plan may skip to sub-component D.

**A. Need for measures to ensure the safety of public housing residents**

1. Describe the need for measures to ensure the safety of public housing residents (select all that apply)

- High incidence of violent and/or drug-related crime in some or all of the PHA's developments
- High incidence of violent and/or drug-related crime in the areas surrounding or adjacent to the PHA's developments
- Residents fearful for their safety and/or the safety of their children
- Observed lower-level crime, vandalism and/or graffiti
- People on waiting list unwilling to move into one or more developments due to perceived and/or actual levels of violent and/or drug-related crime
- Other (describe below)

2. What information or data did the PHA use to determine the need for PHA actions to improve safety of residents (select all that apply).

- Safety and security survey of residents
- Analysis of crime statistics over time for crimes committed "in and around" public housing authority
- Analysis of cost trends over time for repair of vandalism and removal of graffiti
- Resident reports
- PHA employee reports
- Police reports
- Demonstrable, quantifiable success with previous or ongoing anticrime/anti drug programs
- Other (describe below)

3. Which developments are most affected? (list below)

**B. Crime and Drug Prevention activities the PHA has undertaken or plans to undertake in the next PHA fiscal year**

1. List the crime prevention activities the PHA has undertaken or plans to undertake: (select all that apply)

- Contracting with outside and/or resident organizations for the provision of crime- and/or drug-prevention activities
- Crime Prevention Through Environmental Design
- Activities targeted to at-risk youth, adults, or seniors
- Volunteer Resident Patrol/Block Watchers Program
- Other (describe below)

2. Which developments are most affected? (list below)

**C. Coordination between PHA and the police**

1. Describe the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities: (select all that apply)

- Police involvement in development, implementation, and/or ongoing evaluation of drug-elimination plan
- Police provide crime data to housing authority staff for analysis and action
- Police have established a physical presence on housing authority property (e.g., community policing office, officer in residence)
- Police regularly testify in and otherwise support eviction cases
- Police regularly meet with the PHA management and residents
- Agreement between PHA and local law enforcement agency for provision of above-baseline law enforcement services
- Other activities (list below)

2. Which developments are most affected? (list below)

**D. Additional information as required by PHDEP/PHDEP Plan**

PHAs eligible for FY 2006 PHDEP funds must provide a PHDEP Plan meeting specified requirements prior to receipt of PHDEP funds.

- Yes  No: Is the PHA eligible to participate in the PHDEP in the fiscal year covered by this PHA Plan?

- Yes  No: Has the PHA included the PHDEP Plan for FY 2000 in this PHA Plan?  
 Yes  No: This PHDEP Plan is an Attachment. (Attachment Filename: \_\_\_\_)

#### **14. RESERVED FOR PET POLICY**

[24 CFR Part 903.7 9 (n)]

*HUD published the Final Pet Rule per the directions of QWHRA. Changes were made to Chapter 10 of the Housing Authority of the County of Santa Clara's Public Housing and Admissions and Continued Occupancy Plan to reflect the rule which became effective August 9, 2000. Chapter 10 explains the Housing Authority's policies on the keeping of pets and any criteria or standards pertaining to the policy. The purpose of this policy is to establish procedures in accordance with the Final Rule for the ownership of pets in elderly and disable units and to ensure that no applicant or resident is discriminated against regarding admission or continued occupancy because of ownership of pets. It also establishes rules governing the keeping of common household pets.*

#### **15. Civil Rights Certifications**

[24 CFR Part 903.7 9 (o)]

Civil rights certifications are included in the PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations.

#### **16. Fiscal Audit**

[24 CFR Part 903.7 9 (p)]

1.  Yes  No: Is the PHA required to have an audit conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U.S.C. 1437c(h))?  
(If no, skip to component 17.)
2.  Yes  No: Was the most recent fiscal audit submitted to HUD?
3.  Yes  No: Were there any findings as the result of that audit?
4.  Yes  No: If there were any findings, do any remain unresolved?  
If yes, how many unresolved findings remain?\_\_\_\_\_
5.  Yes  No: Have responses to any unresolved findings been submitted to HUD?  
If not, when are they due (state below)?

## **17. PHA Asset Management**

[24 CFR Part 903.7 9 (q)]

Exemptions from component 17: Section 8 Only PHAs are not required to complete this component.  
High performing and small PHAs are not required to complete this component.

1.  Yes  No: Is the PHA engaging in any activities that will contribute to the long-term asset management of its public housing stock , including how the Agency will plan for long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs that have **not** been addressed elsewhere in this PHA Plan?
  
2. What types of asset management activities will the PHA undertake? (select all that apply)  
 Not applicable  
 Private management  
 Development-based accounting  
 Comprehensive stock assessment  
 Other: (list below)
  
3.  Yes  No: Has the PHA included descriptions of asset management activities in the **optional** Public Housing Asset Management Table?

## **18. Other Information**

[24 CFR Part 903.7 9 (r)]

### **A. Resident Advisory Board Recommendations**

1.  Yes  No: Did the PHA receive any comments on the PHA Plan from the Resident Advisory Board/s?
  
2. If yes, the comments are: (if comments were received, the PHA **MUST** select one)  
 Attached at Attachment (attachment r)  
 Provided below:
  
3. In what manner did the PHA address those comments? (select all that apply)  
 Considered comments, but determined that no changes to the PHA Plan were necessary.  
 The PHA changed portions of the PHA Plan in response to comments  
List changes below:  
 Other: (list below)

**B. Description of Election process for Residents on the PHA Board**

1.  Yes  No: Does the PHA meet the exemption criteria provided section 2(b)(2) of the U.S. Housing Act of 1937? (If no, continue to question 2; if yes, skip to sub-component C.)
2.  Yes  No: Was the resident who serves on the PHA Board elected by the residents? (If yes, continue to question 3; if no, skip to sub-component C.)

3. Description of Resident Election Process

a. Nomination of candidates for place on the ballot: (select all that apply)

- Candidates were nominated by resident and assisted family organizations
- Candidates could be nominated by any adult recipient of PHA assistance
- Self-nomination: Candidates registered with the PHA and requested a place on ballot
- Other: (describe) *Appointed by Santa Clara County Board of Supervisors*

b. Eligible candidates: (select one)

- Any recipient of PHA assistance
- Any head of household receiving PHA assistance
- Any adult recipient of PHA assistance
- Any adult member of a resident or assisted family organization
- Other (list)

c. Eligible voters: (select all that apply)

- All adult recipients of PHA assistance (public housing and section 8 tenant-based assistance)
- Representatives of all PHA resident and assisted family organizations
- Other (list) *Appointed by Santa Clara County Board of Supervisors*

**C. Statement of Consistency with the Consolidated Plan**

For each applicable Consolidated Plan, make the following statement (copy questions as many times as necessary).

1. Consolidated Plan jurisdiction: *City of San Jose, Housing Department, 2000-2005 Consolidated Plan. City of Sunnyvale Consolidated Plan.*

2. The PHA has taken the following steps to ensure consistency of this PHA Plan with the Consolidated Plan for the jurisdiction: (select all that apply)

- The PHA has based its statement of needs of families in the jurisdiction on the needs expressed in the Consolidated Plan/s.
- The PHA has participated in any consultation process organized and offered by the Consolidated Plan agency in the development of the Consolidated Plan.
- The PHA has consulted with the Consolidated Plan agency during the development of this PHA Plan.
- Activities to be undertaken by the PHA in the coming year are consistent with the initiatives contained in the Consolidated Plan. (list below)
  
- Other: (list below)

4. The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments: (describe below)

- To encourage development of more affordable housing
- To preserve affordable housing
- To preserve Section 8 funding and support application for additional funds

**D. Other Information Required by HUD**

Use this section to provide any additional information requested by HUD.

## **Attachments**

Use this section to provide any additional attachments referenced in the Plans.



# **Housing Authority of the City of San Jose**

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- C. Resolution for PHA Certification of Compliance with the PHA Plans and Related Regulations Board Resolution to Accompany the PHA Plan
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- H.
  - 1. Procurement Policy for Equipment, Materials and Supplies
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- L. 5 Year Action Plan for the Capital Fund/Comprehensive Grant Program
- M. Public Comments for Housing Authority Annual and Five Year Plan

# Executive Summary of the Housing Authority of the City of San Jose's Annual and Five Year Plan for FY 2006

## The Housing Authority's Mission

*"To improve the lives of low-income families, persons with disabilities and seniors in Santa Clara County by providing affordable, high-quality housing."*

The Housing Authority of the City of San Jose has prepared its Agency Plan in compliance with Section 511 of the *Quality Housing and Work Responsibility Act (QHWRA) of 1998* and the ensuing HUD requirements.

The **Five Year Plan** describes the agency's mission and stated objectives for addressing the housing needs of low-income and very low-income families in Santa Clara County over the subsequent five years.

The **Annual Plan** provides details of the agency's current programs, as well as its strategies for addressing the housing needs of all currently assisted low-income and very low-income families in Santa Clara County.

The following pages describe some of the primary goals that the Housing Authority currently plans to pursue based in its Five Year Plan.

## Goals and Objectives, 2005-2009

### **1. Goal: To increase the availability of decent, safe and affordable housing by improving the quantity, quality, and variety of housing choices in the community**

- Should it become available, the Housing Authority will apply for voucher funding.
- Construct and manage Opportunity Center and Fairgrounds Housing. Maximize housing development opportunities pending available resources.
- Maintain the wait list for Housing Choice Voucher opening in April 2006. Consider utilizing project-based assistance while maintaining 100% lease up of Housing Choice Voucher.
- **Work with the City of San Jose and County of Santa Clara on a 10-year plan to end homelessness.**
- **Increase the number of vouchers for chronically homeless from 25 to 100.**
  - **The Housing Authority will maintain a limited local preference for chronically homeless in the City of San Jose and County of Santa Clara. The number of set-aside vouchers utilized will be contingent upon monthly lease up and will not exceed the voucher monthly turnover rate or up to 100 vouchers annually. This curriculum and progress will be reviewed annually by the Housing Authority's Board of Commissioners.**

### **2. Goal: Improve the community quality of life and economic vitality by participating in work force investment activities.**

- \*Pursue implementation of the Moving to Work designation.
- Participate in Workforce Board activities
- Continue partnership with Citibank and SVNHS, reputable homeownership counseling agencies and mortgage lenders.
- Increase the number of families participating in the homeownership program by partnering with developers, counselors, realtors and banks.
- Work with United Way on Women Leading Change, a new program that focuses on self sufficiency and money management.

### **3. Goal: Promote self-sufficiency and asset development of families and individuals – supporting the FSS Program by linking TANF recipients to CalWORKS and other appropriate programs and by increasing the number of families served by the agency's existing educational scholarship fund.**

- Continue Scholarship Program, seeking broader community support and a permanent

source of funds.

- Continue to be active partners with NOVA and SVWIB.
- Expand the Lenzen Gardens and Cypress Gardens “wrap around” service model through HUD grants or outside grants.

**4. Goal: Take affirmative measures to ensure Equal Opportunity in Housing for all families living in assisted housing regardless of race, color, religion, national origin, sex, familial status and disability.**

The Housing Authority will continue to support affirmative housing goals through;

- Staff training
- Owner education and outreach
- Maintaining good working relationships with fair housing groups and task forces such as Bay Area Legal Aid and Mid Peninsula Citizens for Fair Housing
- Continue participating in Bay Area Fair Housing Task Force.

\*The Housing Authority desires to participate in the National HUD Moving to Work Program (MTW). Currently there are thirty-two Housing Authorities across the country participating in the program. The program would allow the Housing Authority to test innovative methods to meet the needs of our community. It would provide flexibility to be able to design a program for Section 8 participants and Public Housing tenants, reducing bureaucracy and increasing opportunities for enhanced self-sufficiency. Through 2005 federal appropriations language, both the City and County have priority for MTW application.

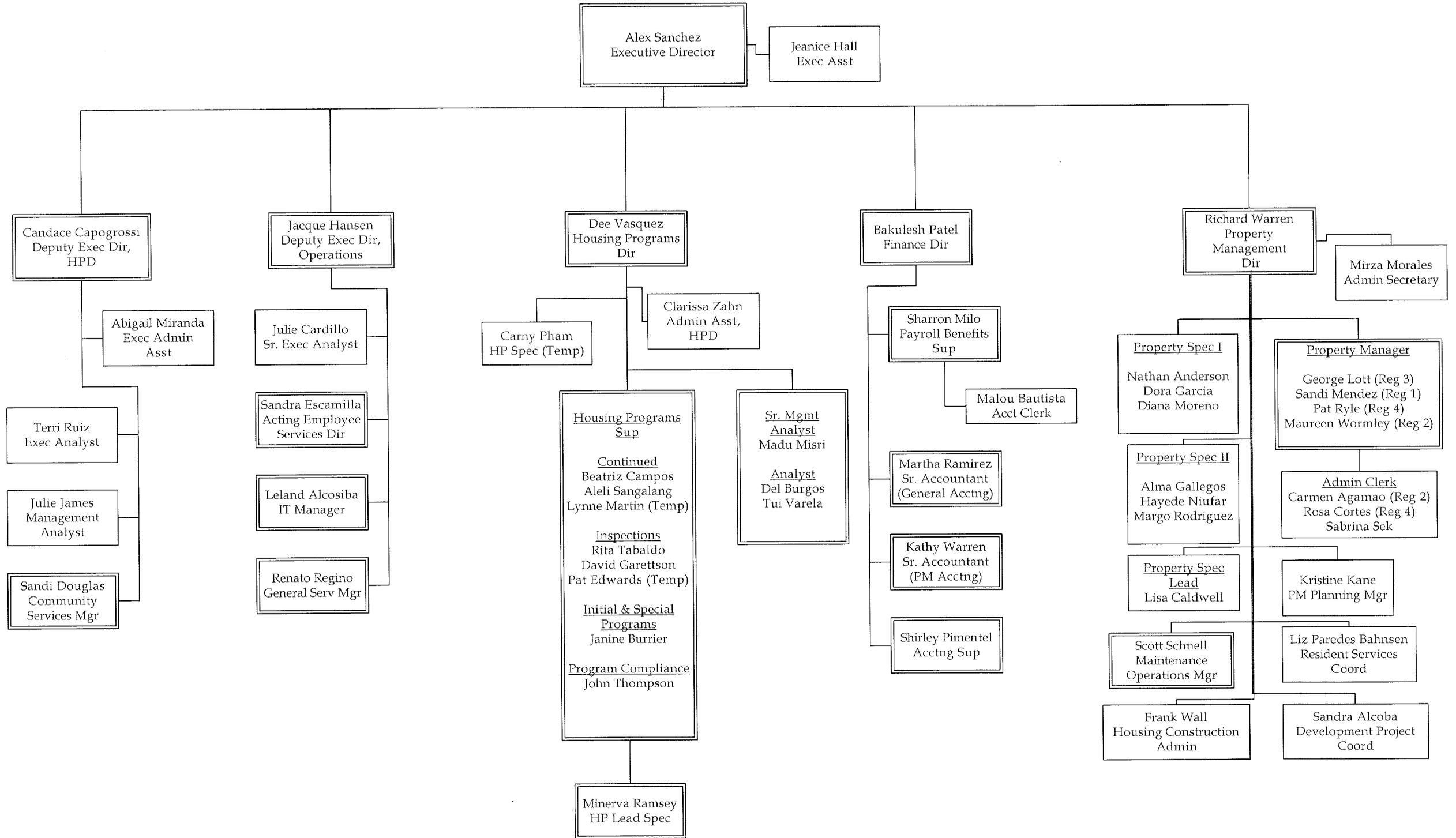
A thorough examination of housing rent policy would include incentives for those who are moving from welfare to work. A reduction of non-essential employee tasks with a prioritization on timely and effective service to our community would be a goal. Continued participation in homeownership activities through community partnerships remains a goal.

**Additionally, Public Housing will seek designation of Rincon Gardens, Lenzen Gardens, Sunset Gardens and Cypress Gardens as Senior Communities for those seniors 62 years of age and older. No current residents will be required to move. The site based wait lists would be open to those who are age 62 and older.**

**Furthermore, the Housing Authority of the County of Santa Clara is planning to apply to HUD for a voluntary conversion of public housing to project based vouchers.**

Due to continued federal changes in funding for housing programs, we anticipate further funding changes that will impact the administrative policies for Section 8 and Public Housing. Clarification and updating of the Section 8 Administrative Plan and the Public Housing Occupancy Plan will be completed as needed.

# HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA



**PHA Certifications of Compliance with the PHA Plans  
and Related Regulations  
Board Resolution to Accompany the PHA Plan**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the 5-Year Plan and Annual Plan for PHA fiscal year beginning 2006, 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 Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. 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.
2. 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.
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Board or Boards in developing the Plan, and considered the recommendations of the Board or Boards (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
4. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
5. 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.
6. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
7. For PHA Plan that includes a policy for site based waiting lists:
  - The PHA regularly submits required data to HUD's MTCS in an accurate, complete and timely manner (as specified in PIH Notice 99-2);
  - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
  - Adoption of site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
  - The PHA shall take reasonable measures to assure that such waiting list is consistent with affirmatively furthering fair housing;
  - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).

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 has submitted with the Plan a certification with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
12. The PHA has submitted with the Plan a certification 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. For PHA Plan that includes a PHDEP Plan as specified in 24 CFR 761.21: The PHDEP Plan is consistent with and conforms to the "Plan Requirements" and "Grantee Performance Requirements" as specified in 24 CFR 761.21 and 761.23 respectively and the PHA will maintain and have available for review/inspection (at all times), records or documentation of the following:
  - Baseline law enforcement services for public housing developments assisted under the PHDEP plan;
  - Consortium agreement/s between the PHAs participating in the consortium and a copy of the payment agreement between the consortium and HUD (applicable only to PHAs participating in a consortium as specified under 24 CFR 761.15);
  - Partnership agreements (indicating specific leveraged support) with agencies/organizations providing funding, services or other in-kind resources for PHDEP-funded activities;
  - Coordination with other law enforcement efforts;
  - Written agreement(s) with local law enforcement agencies (receiving any PHDEP funds); and
  - All crime statistics and other relevant data (including Part I and specified Part II crimes) that establish need for the public housing sites assisted under the PHDEP Plan.
14. 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.
15. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
16. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
17. 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.
18. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
19. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
20. 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.).
21. 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 regulations and included in its Plan.

22. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and attachments at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.

Housing Authority of the  
City of San Jose

CA056

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PHA Name

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PHA Number



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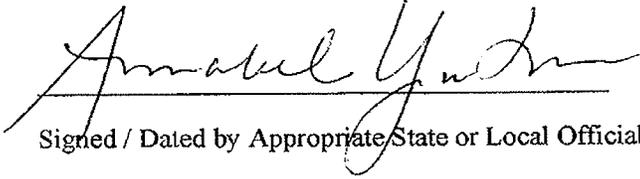
Signed/Dated by PHA Board Chair or other authorized PHA official

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

---

**Certification by State or Local Official of PHA Plans Consistency with  
the Consolidated Plan**

I, Annabel Yurutucu the Housing Officer certify  
that the Five Year and Annual PHA Plan of the Santa Clara County Housing Authority &  
Housing Authority City of San Jose is  
consistent with the Consolidated Plan of the City of Sunnyvale prepared  
pursuant to 24 CFR Part 91.

  
Signed / Dated by Appropriate State or Local Official

**Certification by State or Local Official of PHA Plans Consistency with  
the Consolidated Plan**

I, Leslye Krutko the Director, City of S J Housing Dept. certify  
that the Five Year and Annual PHA Plan of the City of San Jose Housing Authority &  
Santa Clara Housing Authority is  
consistent with the Consolidated Plan of the City of San Jose prepared  
pursuant to 24 CFR Part 91.



Signed / Dated by Appropriate State or Local Official

## **List of Consolidated Plans for the Jurisdictions of the Housing Authority of the City of San Jose**

The Housing Authority of the City of San Jose has ensured consistency of its plan with the Consolidated Plans for the following jurisdictions:

City of San Jose  
Housing Department  
2005 - 2010 Consolidated Plan

City of Sunnyvale  
Consolidated Plan  
2005 - 2010

Housing Authority of the County of Santa Clara  
Annual and 5-Year Plan

**HOUSING AUTHORITY OF THE CITY OF SAN JOSE  
ADMINISTRATIVE PLAN**

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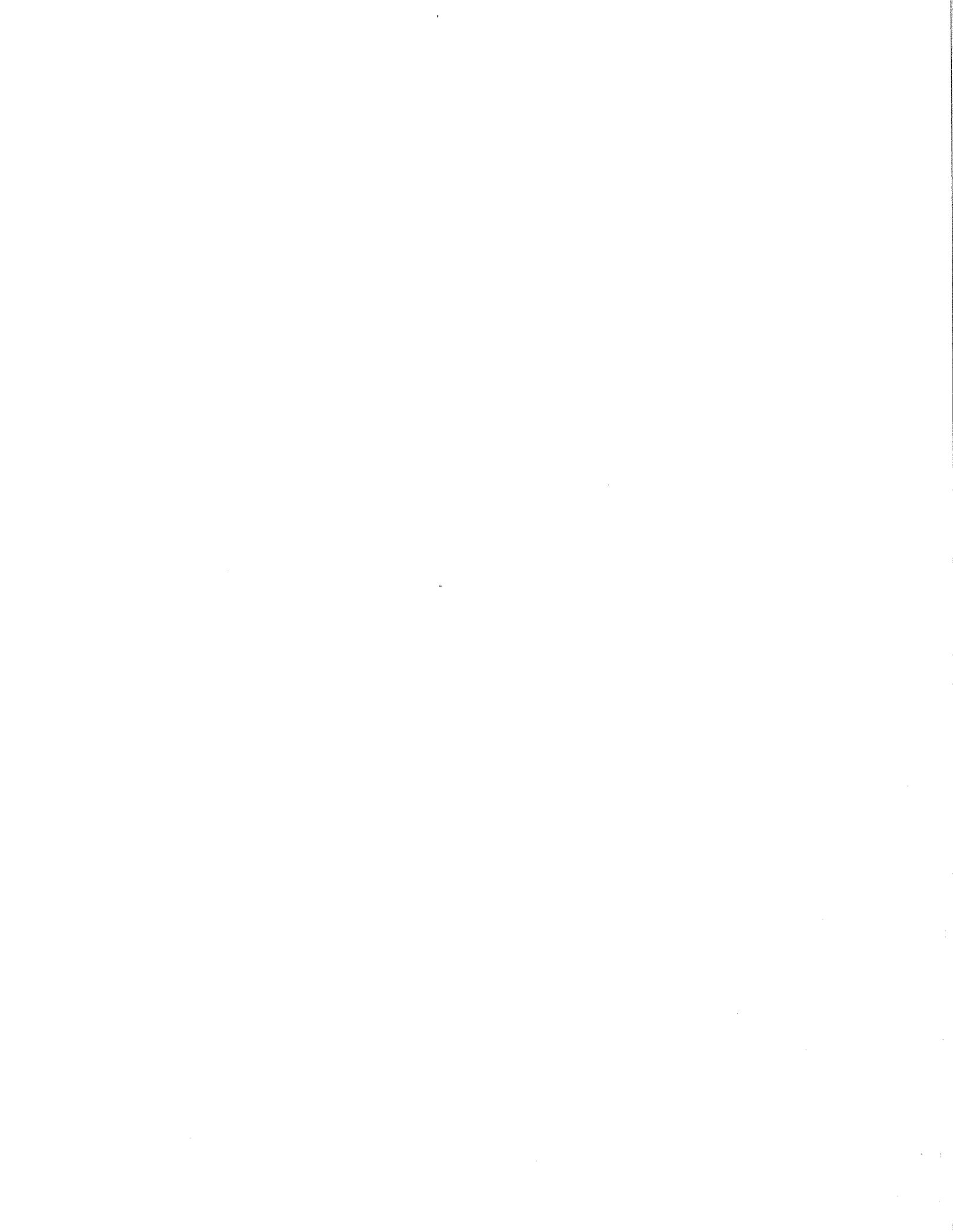
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**HOUSING AUTHORITY OF THE  
COUNTY OF SANTA CLARA  
(A Component Unit of the  
County of Santa Clara)**

Independent Auditor's Reports,  
Basic Financial Statements and  
Supplementary Information

For the Year Ended June 30, 2005



**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

For the Year Ended June 30, 2005

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Members of the Board of Commissioners of the  
Housing Authority of the County of Santa Clara  
San Jose, California

### **Independent Auditor's Report**

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Housing Authority of the County of Santa Clara (the Authority), a component unit of the County of Santa Clara, California, as of and for the year ended June 30, 2005, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Bracher HDC, Inc.; Villa Garcia, Inc.; Villa San Pedro HDC, Inc.; and Property Management, Inc., which represents 84 percent and 93 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Authority as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2005 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of the other auditors, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal and state awards is presented for purposes for additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Macias, Dini & Company LLP*  
Certified Public Accountants

Walnut Creek, California  
November 18, 2005

**Housing Authority of the County of Santa Clara**  
(A Component Unit of the County of Santa Clara)  
Management's Discussion and Analysis

---

This section of the Housing Authority of the County of Santa Clara's (the Authority) financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year ended June 30, 2005. Please read it in conjunction with the Authority's financial statements, which follow this section.

**Financial Highlights**

- Total Net Assets of the Authority increased from \$29,877,065 to \$30,005,975 as of June 30, 2005. The increase is due to management's efforts to control operating expenses and to optimize the Authority's resources so as to ensure that the Authority's overall operating expenditures are maintained within the limitations of funding made available.
- The change in net assets of the Authority was \$128,910 for the fiscal year. This was after depreciation and amortization expense of \$1,196,941.
- The Authority's long-term debt outstanding of \$10,930,106 as of June 30, 2005 is a decrease of \$1,493,074 from June 30, 2004.

**Overview of the Financial Statements**

The financial statements consist of three parts; the management's discussion and analysis, the basic financial statements and supplementary information. The basic financial statements include three kinds of statements that present different views of the Authority:

- The first two statements are the government-wide financial statements that provide information about the Authority's overall financial position and results. These statements, which are presented on an accrual basis, consist of the Statement of Net Assets and the Statement of Activities.
- The remaining statements are fund financial statements of the Authority's major and nonmajor proprietary funds, which operate similar to business activities and for which the Authority follows an accrual basis of accounting.
- The basic financial statements also include a "Notes to Financial Statements" section that explains some of the information in the Authority-wide and fund financial statements and provides more detailed data.
- The Notes to Financial Statements are followed by a "Supplementary Information" section, which presents the financial statements of the Authority's combining component unit financial statements, nonmajor combining enterprise funds, and other compliance reports and schedules.

The remainder of the overview section of management's discussion and analysis explains the structure and contents of each of these statements. The government-wide statements report information about the Authority as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Assets includes all the Authority's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The basic financial statements include both blended and discretely presented component units. Complete financial statements of individual component units can be obtained from the Authority's Finance Department.

## Fund Financial Statements

The fund financial statements provide more detailed information about the Authority's most significant funds and not the Authority as a whole. The net assets of these funds represent accumulated earnings since their inception and are usually restricted for program purposes.

### Financial Analysis of the Authority

**Net Assets** - The Authority's net assets increased by \$128,910 during the current fiscal year. This represents an increase of 0.43% of net assets. The following table indicates the net assets as of June 30, 2005 and 2004:

	June 30,		Increase/(Decrease)	
	2005	2004	Amount	%
<b>Assets:</b>				
Current and other assets	\$ 35,123,236	\$ 24,432,633	\$ 10,690,603	43.76
Capital assets	31,429,895	32,082,484	(652,589)	(2.03)
Total assets	<u>66,553,131</u>	<u>56,515,117</u>	<u>10,038,014</u>	<u>17.76</u>
<b>Liabilities:</b>				
Current liabilities	19,229,106	9,265,111	9,963,995	107.54
Noncurrent liabilities	17,318,050	17,372,941	(54,891)	(0.32)
Total liabilities	<u>36,547,156</u>	<u>26,638,052</u>	<u>9,909,104</u>	<u>37.20</u>
<b>Net assets:</b>				
Invested in capital assets, net of related debt	24,563,819	25,479,878	(916,059)	(3.60)
Restricted net assets	261,300	20,059	241,241	1,202.66
Unrestricted net assets	5,180,856	4,377,128	803,728	18.36
Total net assets	<u>\$ 30,005,975</u>	<u>\$ 29,877,065</u>	<u>\$ 128,910</u>	<u>0.43</u>

The increase in current and other assets was due primarily to two factors as summarized below:

- During the year an additional \$9.8 million was recorded as a payable to HUD for over reimbursement of Section 8 Rental Vouchers Housing Assistance Payments (HAPs). HUD's excess HAPs increased from \$6.3 million at June 30, 2004 to \$16.1 million at June 30, 2005 and is held as cash and investment in the statement of net assets.
- Generally, operating efficiency in the current year has led to reduced expenses resulting to a reduction in cash outflow and overall increase of cash balances.

The decrease in capital assets was due primarily to two factors as summarized below:

- \$1.2 million in depreciation and amortization charge for the year that was partially offset by other capitalized costs;
- Construction work in progress costs totaling \$321,294 was incurred and capitalized. Also, Structures, furniture and equipments had \$218,382 of additions.

The increase in current and other liabilities is mainly due to the increased HUD payable as explained above. However, this is partially offset by the payment of the current portion of the long-term debt, and reduction in other current liabilities. The increase in noncurrent liabilities, as detailed on Note 7 to Financial Statements, is mainly due to an increase in accrued employees vacation and sick leave by \$517,954 and an increase of \$118,672 in accrued payment-in-lieu of taxes.

**Statement of Activities** - The statement of activities shows the sources of the Authority's changes in net assets as they arise through its various programs and functions. A summary of the activities for the fiscal year ended June 30, 2005 and 2004 is shown in the following table.

	<u>For the year ended June 30,</u>		<u>Increase/(Decrease)</u>	
	<u>2005</u>	<u>2004</u>	<u>Amount</u>	<u>%</u>
<b>Revenues:</b>				
Program revenues:				
Charges for services	\$ 7,718,939	\$ 9,202,661	\$ (1,483,722)	-16.1
Operating grants and contributions	236,940,446	255,162,419	(18,221,973)	-7.1
General revenues:				
Unrestricted investments earnings	365,138	93,629	271,509	290.0
Miscellaneous	30,384	-	30,384	100.0
Total revenues	<u>245,054,907</u>	<u>264,458,709</u>	<u>(19,403,802)</u>	<u>-7.3</u>
<b>Expenses:</b>				
Conventional housing program	3,795,583	3,472,254	323,329	9.3
HUD Capital program	758,346	1,164,227	(405,881)	-34.9
Section 8 program	230,246,336	246,737,548	(16,491,212)	-6.7
Shelter plus care program	2,490,387	2,049,202	441,185	21.5
Homeless program	314,903	473,005	(158,102)	-33.4
Meal program	303,072	361,567	(58,495)	-16.2
Migrant program	365,209	379,793	(14,584)	-3.8
Management services	5,276,588	5,495,663	(219,075)	-4.0
Welfare-to-work program	296,071	419,396	(123,325)	-29.4
Rental assistance program	-	520,957	(520,957)	-100.0
Development services	868,952	1,107,352	(238,400)	-21.5
Interest and other expense	210,550	192,111	18,439	9.6
Total expenses	<u>244,925,997</u>	<u>262,373,075</u>	<u>(17,447,078)</u>	<u>-6.6</u>
Change in net assets	128,910	2,085,634	(1,956,724)	-93.8
Net assets, beginning of year	29,877,065	27,791,431	2,085,634	7.5
Net assets, at end of year	<u>\$ 30,005,975</u>	<u>\$ 29,877,065</u>	<u>\$ 128,910</u>	<u>0.4</u>

Revenues decreased primarily due to the decrease in the subsidy reimbursements from HUD to the owners participating in the Section 8 tenant voucher program and the accompanying administrative income earned by the Authority to administer the program. Development services fees earned during the year was less by \$1,084,828 as compared to previous year. Generally, the Authority experienced reduction in some of the operating grants and contributions and thus the related revenues and the expenditures were proportionately reduced. The Rental Assistance Program was eliminated during the year. Section 8 programs experienced significant decrease in subsidy reimbursements from HUD and thus these programs expenditures were also reduced and have a significant impact on the overall operating expenses as compared to last year. During the year, capital renovation and other capital expenditures was undertaken on the Authority's public housing stock resulting but not at the same level as last year and thus decrease in the Authority's HUD capital program expenditures. No other significant item was noted in operating expenses.

## Financial Analysis of the Authority's Funds

The Authority's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net assets (deficits) for the Conventional Housing Program, Section 8 Rental Voucher and Public Housing Capital Program were (\$77,337), \$4,929,366 and \$4,110, respectively. The unrestricted net assets (deficits) were offset by positive net asset balances that are invested in capital assets, net of related debt in the amounts of \$18,267,035, \$2,865,620 and \$441,282 for the Conventional Housing Program, Section 8 Rental Voucher and Public Housing Capital Program, respectively.

### Capital Acquisitions and Construction Activities

During the fiscal year ended June 30, 2005, the Authority expended funds on construction projects in the amount of \$325,970 in support of the Authority's development of affordable housing funded by tax credit, bond financing and/or conventional financing. In some cases, these projects could be partially funded by the Authority. The Authority also purchased capital assets in the amount of \$218,382. Capital asset acquisitions are recorded at cost, based on the current level established by the Board of Commissioners. These acquisitions are funded using a variety of financing techniques, including Federal grants, State grants, Authority reserve funds, and Authority revenues. Additional information on the Authority's capital assets can be found in Note 6 to the basic financial statements.

### Long Term Debt Activity

	June 30,		Increase/(Decrease)	
	2005	2004	Amount	%
Notes payable for the				
Development services	\$ -	\$ 1,270,574	\$ (1,270,574)	n/a
Conventional housing program	1,572,606	1,572,606	-	0.0
Section 8 Rental Voucher	1,417,500	1,420,000	(2,500)	-0.2
Certificate of participation				
Conventional housing program	4,390,000	4,550,000	(160,000)	n/a
Housing Development Corporation	3,550,000	3,610,000	(60,000)	-1.7
Total long-term debt	\$ 10,930,106	\$ 12,423,180	\$ (1,493,074)	-12.0

During fiscal year ended June 30, 2005, the Authority's long-term debt decreased \$1,493,074. The loan of \$1,270,574 from the City of Palo Alto for the development of Opportunity Center Project (Project) was transferred to the Project during the year. The remaining decrease of \$222,500 is due to scheduled principal retirements and other reductions. Additional information on the Authority's long-term debt can be found in Note 7 to the basic financial statements.

## **Economic Factors**

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development.
- Local and national property rental markets that determine Housing Assistance Payments.
- Local labor supply and demand, which can affect salary and wage rates.
- Local inflationary, economic and employment trends that can affect resident income and therefore impact the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs.

## **Contact**

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Housing Authority of the County of Santa Clara, Finance Director, 100 Great Oaks Blvd., Second Floor, San Jose, CA 95119.

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**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Statement of Net Assets

June 30, 2005

	Business-type Activities	Component Units
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash, cash equivalents and investments (Note 3)	\$ 22,801,200	\$ 1,031,065
Accounts receivable, net:		
Tenants	34,483	10,924
HUD	817,616	-
Others	346,716	1,264,758
Interest receivable	93,685	-
Due from component units and related parties (Note 9(a))	1,555,235	-
Prepaid expenses	364,546	46,487
Inventory	24,034	-
<b>Total current assets</b>	<u>26,037,515</u>	<u>2,353,234</u>
<b>Noncurrent assets:</b>		
Restricted cash and investments (Note 3)	6,771,793	1,136,344
Self-help loans receivable, net (Note 5)	183,540	-
Long-term receivables from component units and related parties (Note 9(a))	1,800,298	-
Investments in limited partnerships	-	1,689,532
Other assets	330,090	124,735
Capital assets (Note 6):		
Nondepreciable	11,836,414	2,786,018
Depreciable	19,593,481	8,085,450
<b>Total capital assets</b>	<u>31,429,895</u>	<u>10,871,468</u>
<b>Total noncurrent assets</b>	<u>40,515,616</u>	<u>13,822,079</u>
<b>Total assets</b>	<u>66,553,131</u>	<u>16,175,313</u>
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Bank overdraft	463,203	-
Accounts payable	664,158	385,015
Accrued interest payable	-	62,766
Intergovernmental payable	16,333,586	1,393
Due to component units	18,231	-
Due to the Authority	-	513,929
Other accrued liabilities	1,276,542	330,721
Tenant security deposits	78,164	234,530
Deferred revenue	61,980	5,314
Current portion of accreted interest payable (Note 7)	44,710	-
Current portion of accrued vacation and sick leave (Note 7)	61,032	-
Current portion of long-term obligations (Note 7)	227,500	633,924
<b>Total current liabilities</b>	<u>19,229,106</u>	<u>2,167,592</u>
<b>Noncurrent liabilities:</b>		
Deferred credit (Note 9(b))	1,662,099	-
FSS escrow	2,119,354	-
Accreted interest payable (Note 7)	432,934	-
Accrued vacation and sick leave, net of current portion (Note 7)	685,434	-
Long-term obligations, net of current portion (Note 7)	12,418,229	10,838,382
Advance from primary government	-	458,052
<b>Total noncurrent liabilities</b>	<u>17,318,050</u>	<u>11,296,434</u>
<b>Total liabilities</b>	<u>36,547,156</u>	<u>13,464,026</u>
<b>Net Assets:</b>		
Invested in capital assets, net of related debt (Note 2(i))	24,563,819	(505,838)
Restricted	261,300	319,305
Unrestricted	5,180,856	2,897,820
<b>Total net assets</b>	<u>\$ 30,005,975</u>	<u>\$ 2,711,287</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**  
(A Component Unit of the County of Santa Clara)  
Statement of Activities  
For the Year Ended June 30, 2005

	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
<b>Primary Government:</b>			
<b>Business-type Activities:</b>			
Conventional housing program	\$ 3,795,583	\$ 1,735,772	\$ 1,280,225
HUD capital program	758,346	-	1,293,275
Section 8 program:			
Rental voucher program	227,067,939	237,102	227,276,860
Moderate rehabilitation program	1,972,898	-	2,047,487
New construction	1,205,499	-	1,287,193
Management services	5,276,588	5,000,278	108,926
Shelter plus care program	2,490,387	-	2,686,435
Homeless programs	314,903	32,004	262,000
Meal program	303,072	297,131	37,235
Migrant program	365,209	3,152	365,139
Welfare-to-work program	296,071	-	295,671
Rental assistance program	-	500	-
Development services	868,952	413,000	-
Unallocated interest expense	210,550	-	-
Total primary government	<u>\$ 244,925,997</u>	<u>\$ 7,718,939</u>	<u>\$ 236,940,446</u>
<b>Component Units:</b>			
Local housing	<u>\$ 3,273,127</u>	<u>\$ 3,549,423</u>	<u>\$ -</u>

**General Revenues:**  
Unrestricted investment earnings  
Miscellaneous  
Total general revenues  
Change in net assets  
Net assets - beginning  
Net assets - ending

See accompanying notes to financial statements.

Net (Expense) Revenue and  
Change in Net Assets

Primary Government	
Business-Type Activities	Component Units
\$ (779,586)	\$ -
534,929	-
446,023	-
74,589	-
81,694	-
(167,384)	-
196,048	-
(20,899)	-
31,294	-
3,082	-
(400)	-
500	-
(455,952)	-
(210,550)	-
<u>(266,612)</u>	<u>-</u>
-	276,296
365,138	83,365
30,384	-
<u>395,522</u>	<u>83,365</u>
128,910	359,661
<u>29,877,065</u>	<u>2,351,626</u>
<u>\$ 30,005,975</u>	<u>\$ 2,711,287</u>

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Statement of Net Assets

Proprietary Funds

June 30, 2005

	Enterprise Funds				Total	Internal Service Fund
	Conventional Housing Program	Section 8 Rental Voucher	Public Housing Capital	Nonmajor Funds		
<b>Assets:</b>						
<b>Current Assets:</b>						
Cash, cash equivalents and investments (Note 3)	\$ 1,438,410	\$ 18,597,203	\$ -	\$ 1,007,455	\$ 21,043,068	\$ 1,758,132
Accounts receivable, net:						
Tenants	12,325	18,640	-	3,518	34,483	-
HUD	-	49,122	123,049	645,445	817,616	-
Others	-	27,103	-	301,656	328,759	17,957
Interest receivable	4,036	80,231	-	2,690	86,957	6,728
Due from other funds (Note 4)	196,376	1,591,558	-	163,503	1,951,437	930,744
Due from component units and related parties (Note 9(a))	1,366	393,950	-	742,443	1,137,759	417,476
Prepaid expenses	4,225	-	-	90	4,315	360,231
Inventory	24,034	-	-	-	24,034	-
<b>Total current assets</b>	<u>1,680,772</u>	<u>20,757,807</u>	<u>123,049</u>	<u>2,866,800</u>	<u>25,428,428</u>	<u>3,491,268</u>
<b>Noncurrent assets:</b>						
Advance to other funds (Note 4)	-	500,000	-	-	500,000	-
Restricted cash and investments (Note 3)	4,072,440	2,119,354	-	318,699	6,510,493	261,300
Self-help loans receivable, net (Note 5)	-	183,540	-	-	183,540	-
Long-term receivables from component units and related parties (Note 9(a))	-	1,800,298	-	-	1,800,298	-
Other assets	138,856	-	-	-	138,856	191,234
Capital assets (Note 6):						
Nondepreciable	6,050,939	3,959,739	-	-	10,010,678	1,825,736
Depreciable	14,114,672	323,381	441,282	2,353	14,881,688	4,711,793
<b>Total capital assets</b>	<u>20,165,611</u>	<u>4,283,120</u>	<u>441,282</u>	<u>2,353</u>	<u>24,892,366</u>	<u>6,537,529</u>
<b>Total noncurrent assets</b>	<u>24,376,907</u>	<u>8,886,312</u>	<u>441,282</u>	<u>321,052</u>	<u>34,025,553</u>	<u>6,990,063</u>
<b>Total assets</b>	<u>26,057,679</u>	<u>29,644,119</u>	<u>564,331</u>	<u>3,187,852</u>	<u>59,453,981</u>	<u>10,481,331</u>
<b>Liabilities:</b>						
<b>Current liabilities:</b>						
Bank overdraft	-	-	-	-	-	463,203
Accounts payable	51,993	268,972	96,008	113,654	530,627	133,531
Intergovernmental payable	-	16,101,149	-	232,437	16,333,586	-
Due to other funds (Note 4)	5,481	769,946	13,495	2,038,005	2,826,927	55,254
Due to component units	-	-	-	18,231	18,231	-
Other accrued liabilities	11,444	391,313	1,497	321,129	725,383	551,159
Tenant security deposits	65,542	-	-	12,622	78,164	-
Deferred revenue	1,950	1,131	-	45,457	48,538	13,442
Current portion of accreted interest payable (Note 7)	44,710	-	-	-	44,710	-
Current portion of accrued vacation and sick leave (Note 7)	700	27,597	584	23,453	52,334	8,698
Current portion of long-term debt (Note 7)	160,000	2,500	-	-	162,500	65,000
<b>Total current liabilities</b>	<u>341,820</u>	<u>17,562,608</u>	<u>111,584</u>	<u>2,804,988</u>	<u>20,821,000</u>	<u>1,290,287</u>
Deferred credit (Note 9(b))	-	-	-	-	-	1,662,099
FSS escrow	-	2,119,354	-	-	2,119,354	-
Accreted interest payable, net of current portion (Note 7)	-	432,934	-	-	432,934	-
Accrued vacation and sick leave, net of current portion (Note 7)	7,932	319,237	7,355	254,935	589,459	95,975
Advance from other funds (Note 4)	-	-	-	-	-	500,000
Long-term obligations, net of current portion (Note 7)	7,518,229	1,415,000	-	-	8,933,229	3,485,000
<b>Total liabilities</b>	<u>7,867,981</u>	<u>21,849,133</u>	<u>118,939</u>	<u>3,059,923</u>	<u>32,895,976</u>	<u>7,033,361</u>
<b>Net Assets:</b>						
Invested in capital assets, net of related debt (Note 2(i))	18,267,035	2,865,620	441,282	2,353	21,576,290	2,987,529
Restricted	-	-	-	-	-	261,300
Unrestricted	(77,337)	4,929,366	4,110	125,576	4,981,715	199,141
<b>Total net assets</b>	<u>\$ 18,189,698</u>	<u>\$ 7,794,986</u>	<u>\$ 445,392</u>	<u>\$ 127,929</u>	<u>26,558,005</u>	<u>\$ 3,447,970</u>
Adjustment to reflect the consolidation of internal service fund activities:					3,447,970	
					<u>\$ 30,005,975</u>	

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended June 30, 2005

	Enterprise Funds				Total	Internal Service Fund
	Conventional Housing Program	Section 8 Rental Voucher	Public Housing Capital	Nonmajor Funds		
Operating revenues:						
Rental income	\$ 1,687,820	\$ -	\$ -	\$ 81,692	\$ 1,769,512	\$ 397,865
Service fees	24,558	91,747	-	5,636,412	5,752,717	3,244,612
Housing assistance payments earned	-	214,119,230	-	5,540,476	219,659,706	-
HUD administrative fees	-	13,157,630	-	267,317	13,424,947	4,605
Donation and other	23,394	23,131	-	27,961	74,486	498
<b>Total operating revenues</b>	<b>1,735,772</b>	<b>227,391,738</b>	<b>-</b>	<b>11,553,858</b>	<b>240,681,368</b>	<b>3,647,580</b>
Operating expenses:						
Administrative	763,843	7,273,261	86,414	3,349,035	11,472,553	2,509,268
Tenant services	6	-	-	239,954	239,960	-
Utilities	473,602	-	-	122,115	595,717	153,704
Maintenance and operations	725,130	14	583,340	1,443,281	2,751,765	87,852
Maintenance contracts	555,787	41,752	-	262,961	860,500	96,526
General	411,795	5,322,840	20,520	2,450,492	8,205,647	463,305
Depreciation and amortization	684,155	236,731	68,072	7,369	996,327	200,614
Housing assistance payments	-	214,119,230	-	5,354,683	219,473,913	-
Other	-	30,961	-	-	30,961	-
<b>Total operating expenses</b>	<b>3,614,318</b>	<b>227,024,789</b>	<b>758,346</b>	<b>13,229,890</b>	<b>244,627,343</b>	<b>3,511,269</b>
<b>Operating income (loss)</b>	<b>(1,878,546)</b>	<b>366,949</b>	<b>(758,346)</b>	<b>(1,676,032)</b>	<b>(3,945,975)</b>	<b>136,311</b>
Nonoperating revenues (expenses):						
Intergovernmental	1,280,225	-	1,293,275	1,251,170	3,824,670	31,123
Gain on disposal of capital assets	-	-	-	-	-	7,370
Land lease income	-	122,224	-	-	122,224	23,014
Investment income	79,942	182,334	-	54,019	316,295	48,843
Interest expense	(181,265)	(43,150)	-	-	(224,415)	(210,550)
<b>Total nonoperating revenues (expenses)</b>	<b>1,178,902</b>	<b>261,408</b>	<b>1,293,275</b>	<b>1,305,189</b>	<b>4,038,774</b>	<b>(100,200)</b>
<b>Income (loss) before transfers</b>	<b>(699,644)</b>	<b>628,357</b>	<b>534,929</b>	<b>(370,843)</b>	<b>92,799</b>	<b>36,111</b>
Transfers in (Note 4)	458,417	-	-	126,326	584,743	159,559
Transfers out (Note 4)	-	(281,770)	(458,417)	(3,578)	(743,765)	(537)
<b>Change in net assets</b>	<b>(241,227)</b>	<b>346,587</b>	<b>76,512</b>	<b>(248,095)</b>	<b>(66,223)</b>	<b>195,133</b>
Net assets, beginning of year	18,430,925	7,448,399	368,880	376,024		3,252,837
<b>Net assets, end of year</b>	<b>\$ 18,189,698</b>	<b>\$ 7,794,986</b>	<b>\$ 445,392</b>	<b>\$ 127,929</b>		<b>\$ 3,447,970</b>
Adjustment to reflect the consolidation of internal service fund activities					195,133	
<b>Change in net assets of business-type activities</b>					<b>\$ 128,910</b>	

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

**Statement of Cash Flows**

Proprietary Funds

For the Year Ended June 30, 2005

	Enterprise Funds					Internal Service Fund
	Conventional Housing Program	Section 8 Rental Voucher	Public Housing Capital	Nonmajor Funds	Total	
<b>Cash flows from operating activities:</b>						
Receipts from tenants	\$ 1,686,356	\$ 170,157	\$ -	\$ 155,805	\$ 2,012,318	\$ 397,865
Receipts from customers and others	48,404	129,525	-	5,404,487	5,582,416	3,401,802
Receipts from housing assistance programs	-	227,776,004	-	5,647,088	233,423,092	4,605
Payments to suppliers for goods and services	(1,485,750)	(6,187,875)	(599,989)	(4,980,332)	(13,253,946)	(2,377,455)
Housing assistance payments on behalf of tenants	-	(204,296,735)	-	(5,321,449)	(209,618,184)	-
Payments to employees for services	(1,299,846)	(5,745,707)	(57,461)	(2,556,939)	(9,659,953)	(1,259,531)
Net cash provided by (used in) operating activities	(1,050,836)	11,845,369	(657,450)	(1,651,340)	8,485,743	167,286
<b>Cash flows from noncapital financing activities:</b>						
Transfers received	458,417	-	-	125,789	584,206	-
Transfers paid	-	(125,788)	(458,417)	-	(584,205)	-
Intergovernmental revenue	1,280,225	-	1,255,888	1,132,624	3,668,737	31,123
Disbursement of loans to other funds	(23,704)	(490,348)	-	(412,745)	(926,797)	(815,308)
Repayment of loans from other funds	45,458	-	453	1,022,562	1,068,473	985,381
Disbursement of loans to related parties and component units	(1,366)	-	-	(63,677)	(65,043)	(152,033)
Repayment of loans from related parties and component units	-	203,929	-	(13,631)	190,298	5,160
Net cash provided by (used in) noncapital financing activities	1,759,030	(412,207)	797,924	1,790,922	3,935,669	54,323
<b>Cash flows from capital and related financing activities:</b>						
Proceeds from sale of capital assets	-	-	-	-	-	7,370
Acquisition of capital assets	(328,185)	(75,693)	(140,474)	-	(544,352)	-
Bonds cost of issuance paid	-	-	-	-	-	(197,724)
Repayments of long-term liabilities	(160,000)	(2,500)	-	-	(162,500)	(175,000)
Net proceeds/repayment of refunding of long-term	-	-	-	-	-	115,000
Interest paid	(173,551)	-	-	-	(173,551)	(201,770)
Net cash used in capital and related financing activities	(661,736)	(78,193)	(140,474)	-	(880,403)	(452,124)
<b>Cash flows from investing activities:</b>						
Interest received	76,190	181,881	-	51,329	309,400	45,429
Purchase of investments	-	-	-	-	-	127,458
Net cash provided by investing activities	76,190	181,881	-	51,329	309,400	172,887
Net change in cash and cash equivalents	122,648	11,536,850	-	190,911	11,850,409	(57,628)
Cash and cash equivalents, beginning of year	5,388,202	9,179,707	-	1,135,243	15,703,152	1,815,760
Cash and cash equivalents, end of year	\$ 5,510,850	\$ 20,716,557	\$ -	\$ 1,326,154	\$ 27,553,561	\$ 1,758,132

(Continued)

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

**Statement of Cash Flows**

Proprietary Funds

For the Year Ended June 30, 2005

	Enterprise Funds					Internal Service Fund
	Conventional Housing Program	Section 8 Rental Voucher	Public Housing Capital	Nonmajor Funds	Total	
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>						
Operating income (loss)	\$ (1,878,546)	\$ 366,949	\$ (758,346)	\$ (1,676,032)	\$ (3,945,975)	\$ 136,311
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	684,155	236,731	68,072	7,369	996,327	200,614
Decrease (increase) in:						
Receivables	(2,611)	525,052	-	(399,471)	122,970	12,373
Prepaid expenses	(782)	-	-	5,614	4,832	10,011
Other assets	-	-	-	-	-	(37)
Increase (decrease) in:						
Accounts payable	14,520	257,575	29,642	39,073	340,810	(124,014)
Intergovernmental payable	-	9,822,495	-	64,389	9,886,884	-
Tenant security deposits and FSS escrow	1,524	159,515	-	(453)	160,586	-
Deferred revenue	75	(619)	-	7,318	6,774	(15,681)
Accrued vacation and sick leave	713	86,433	3,263	47,396	137,805	9,699
Other liabilities	130,116	391,238	(81)	253,457	774,730	(61,990)
Net cash provided by (used in) operating activities	\$ (1,050,836)	\$ 11,845,369	\$ (657,450)	\$ (1,651,340)	\$ 8,485,743	\$ 167,286

**Supplemental disclosures of cash flow information:**

<b>Noncash capital and related financing activities</b>						
Land lease transfers between funds	\$ -	\$ (1,825,736)	\$ -	\$ -	\$ (1,825,736)	\$ 1,825,736
Deferred credit transfers between funds	-	1,825,736	-	-	1,825,736	(1,825,736)
Capital asset transfers between funds	-	-	-	(3,041)	(3,041)	3,041
Long-term debt transferred to third party	-	-	-	1,270,574	1,270,574	-
Related party receivable transferred to third party	-	-	-	(1,270,574)	(1,270,574)	-
Payment to refunded bond escrow agent from bond proceeds	-	-	-	-	-	(3,474,043)

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 1 - THE FINANCIAL REPORTING ENTITY**

**(a) Primary Government**

The Housing Authority of the County of Santa Clara (the Authority) was established in 1967 by the Santa Clara County (County) Board of Supervisors to administer a federal rent subsidy program authorized under the United States Housing Act of 1937. The objective of the Authority is to improve the lives of low-income families, persons with disabilities and seniors in the County by providing affordable, high-quality housing. It accomplishes its objective by providing management, administrative and educational services to tenants and landlords to facilitate the operation of the various federal and state housing assistance programs.

The Authority's general operation is overseen by the Board of Commissioners, members of which are appointed by the County Board of Supervisors. The Board of Commissioners consists of seven commissioners, one from each of the five supervisorial districts and two tenants of the Housing Authority, one being a senior citizen. Each member is appointed for a four-year term except the resident commissioners, who are appointed for two-year terms. As a result, the Authority has been classified as a discrete component unit of the County because of the financial and operational relationship with the Authority.

**(b) Component Units**

The governmental reporting entity consists of the Authority (the Primary Government) and its component units. Component units are legally separate organizations for which the Board of Commissioners is financially accountable or other organizations whose nature and significant relationship with the Authority are such that exclusion would cause the Authority's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the Authority's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the Authority.

The basic financial statements include both blended and discretely presented component units. The blended component unit is a legally separate entity, and should be, in substance, part of the Authority's operations and so data from this unit is combined with data of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the government.

Complete financial statements of individual component units can be obtained from the Finance Department of the Authority.

The Authority has formed eleven (11) non-profit organizations and one (1) for-profit corporation to further facilitate the Authority's goal. These entities are controlled through common management and board members. Most of these entities were formed to act as general partner in affiliated limited partnerships.

# HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

## NOTE 1 - THE FINANCIAL REPORTING ENTITY (Continued)

### Blended Component Unit

- **Housing Development Corporation (HDC)** - A non-profit public benefit corporation organized on September 14, 1983 in the State of California. The HDC engaged in the construction of the Authority's central office building and the leasing of such property to the County. The Authority subleased the building to be used as the site of its central offices. The HDC and the Authority have a financial and operational relationship which requires that the HDC's financial statements be blended into the Authority's financial statements. The HDC's primary assets, the central office building and land on which it is located, will vest with the Authority at the termination of the lease, August 15, 2017, or at such time when all of the principal components of the lease payments have been paid. In addition, HDC's policies are determined by a five-member board. The HDC has no employees and all staff work is done by the Authority staff or by consultants to the HDC.

### Discrete Component Units

The following discrete component units' fiscal year ended on December 31, 2004 and its financial activities are reported as of that date.

- **Avenida Espana HDC, Inc.** - A non-profit corporation created to serve as the general partner of a limited partnership (AE Associates, LTD.). Avenida Espana HDC, Inc.'s five-member Board of Directors is comprised of two Directors appointed by the Authority's Board of Commissioners and the three Directors appointed by the Board of Directors of Rotary Plaza of San Jose, Inc. It is a component unit of the Authority because through contractual arrangements the Authority bears responsibility for financial and operational matters of the corporation.
- **Bracher HDC, Inc.** - A California non-profit corporation organized in August 1993 to provide housing for low-income persons, where no adequate housing exists for such groups, including serving as a general partner in two limited partnerships (HACSC/Choices Senior Associates and HACSC/Choices Family Associates) formed to develop housing for low-income persons. Bracher HDC, Inc. is also the owner of Life Services Alternatives (LSA) which consists of 3 buildings that exist to serve the developmentally disabled. Bracher HDC, Inc.'s five-member board is comprised of three Directors appointed by the Authority's Board of Commissioners and two Directors appointed by the Housing Choices Coalition, Inc. Bracher HDC, Inc. is a component unit of the Authority because three out of the five-member governing board is comprised of the Executive Director of the Authority and two Authority staff. The Authority is also legally obligated to finance deficits of Bracher HDC, Inc.
- **DeRose HDC, Inc.** - A California non-profit corporation created to serve as the general partner of three limited partnerships (Blossom River Associates, Thunderbird Associates and Bascom HACSC Associates). It is a component unit of the Authority because the three-member governing board is comprised of the Executive Director of the Authority and two Authority staff. The Authority is also legally obligated to finance deficits of DeRose HDC, Inc.

# HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

## NOTE 1 - THE FINANCIAL REPORTING ENTITY (Continued)

- **Pinmore HDC, Inc.** - A California non-profit corporation established to serve as a general partner in four limited partnerships (Helzer Associates, HACSC Fairgrounds Family Associates, HACSC Fairgrounds Senior Associates and Willows/HACSC Associates). It is a component unit of the Authority because the three-member governing board is comprised of the Executive Director of the Authority and two Authority staff. The Authority is also legally obligated to finance deficits of the Pinmore HDC, Inc.
- **Rotary Plaza/HACSC HDC, Inc.** - A California non-profit corporation established to serve as the managing general partner of Morrone Gardens Associates and Huff Avenue Associates, which were established to develop, construct, manage and provide living facilities for economically and otherwise disadvantaged persons. The five-member governing board of Rotary Plaza/HACSC HDC, Inc. is comprised of the Executive Director of the Authority, two Authority staff and two directors appointed by the Board of Directors of Rotary Plaza of San Jose. It is a component unit of the Authority because the Authority bears responsibility for financial and operational matters of the corporation.
- **San Pedro Gardens (SPG) HDC, Inc.** - A California non-profit corporation established to serve as a general partner in a number of limited partnerships including Bracher Associates, San Pedro Gardens Associates, DeRose Housing Associates, Klamath Associates, and Pinmore Associates. It is a component unit of the Authority because the three-member governing board is comprised of the Executive Director of the Authority and two Authority staff. The Authority is also legally obligated to finance deficits of the SPG HDC, Inc.
- **Villa Garcia, Inc.** - A non-profit corporation established in 1970 to manage housing facilities subject to HUD regulations. It is a component unit of the Authority because the three-member governing board is comprised of the Executive Director of the Authority and two Authority staff. The Authority through contractual arrangements is also responsible for financial and operational matters of Villa Garcia, Inc.
- **Villa San Pedro HDC, Inc.** - A non-profit corporation established to provide low-income families with housing facilities and services related thereto. It is a component unit of the Authority because the three-member governing board is comprised of the Executive Director of the Authority and two Authority staff. The Authority through contractual arrangements is also responsible for financial and operational matters of Villa San Pedro HDC, Inc.
- **Property Management, Inc. (PMI)** - A for-profit corporation engaged to provide services relating to management of housing units owned and controlled by the Authority and its related parties. The Authority provides financial, accounting, administrative and maintenance services requested by PMI, which in turn, reimburses actual costs of all services received plus a reasonable service charge. PMI is presented as a discrete component unit because the Authority owns 100% of PMI stock

# HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

## NOTE 1 - THE FINANCIAL REPORTING ENTITY (Continued)

The following discrete component unit's fiscal year ended on May 31, 2005 and its financial activities are reported as of that date.

- **Poco Way HDC, Inc.** - A California non-profit corporation established to serve as a general partner in a limited partnership (Poco Way Associates). It is a component unit of the Authority because the three-member governing board is comprised of the Executive Director of the Authority and two Authority staff. The Authority through contractual arrangements is also responsible for financial and operational matters of Poco Way HDC, Inc.

The following discrete component unit's fiscal year ended on June 30, 2005 and its financial activities are reported as of that date.

- **Program Responsible in Daring Excellence (PRIDE)** - PRIDE was established to provide low-income families, elderly persons and persons with disabilities with resident initiative programs and services, to develop and assist in the development of enriched housing with support services for low-income persons and families, and to promote activities and programs that encourage economic self-sufficiency. The Board of Directors of PRIDE is comprised of employees of the Authority.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Investment income and other items not restricted are reported instead as general revenues.

Separate fund financial statements are provided for proprietary funds. Major individual enterprise funds are reported as separate columns in the fund financial statements.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(b) Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Authority receives value without directly giving equal value in exchange, include revenues from federal, state and local assistance programs. Revenue from these sources is recognized in the fiscal year in which all eligibility requirements have been met.

The Authority reports the following major enterprise funds:

- **Conventional Housing Program Fund** is used to account for the activity of the Conventional Housing Program which is used for the operations of the Authority's own rental housing units subsidized by the U.S. Department of Housing and Urban Development (HUD) through annual contributions contract SF-1533. This program has 555 occupied units under management in ten sites namely: Rincon, Lenzen, Cypress, Sunset, Julian, Lucretia, Deborah, Miramar, Eklund 1 and Eklund 2 Gardens.
- **Section 8 Rental Voucher Fund** is used to account for the operations of the low income housing program which is funded by HUD under the annual contributions contract numbers CA-056VO and CA-059VO for approximately 16,000 units.
- **Public Housing Capital Fund** is used to account for capital and management activities of the low income-housing program which is annually funded by HUD.

Additionally, the Authority reports an *internal service fund*. The internal service fund is used to account for the costs of support services; its housing activities and reserve accounts; the revolving and payroll account activities; and its indirect cost allocations provided by one department to other departments of the Authority and to other organizations on a cost-reimbursement basis.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Authority has elected not to follow subsequent private-sector guidance.

Eliminations have been made to minimize the double counting of internal activities in the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise funds are HUD housing assistance payments earned, HUD administrative fees and rental income from its public housing units. Operating expenses for enterprise funds include employee services, services and supplies, administrative expenses, utilities, depreciation on capital assets and housing assistance payments to landlords. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

**(c) Cash Equivalents and Investments**

The Authority considers all highly liquid investments (including restricted cash and investments) with maturities of three months or less when purchased to be cash equivalents. This includes bank certificates of deposit and deposits with the State of California Local Agency Investment Fund (LAIF).

**(d) Allowance for Bad Debts**

Management reviews the collectibility of receivables on a periodic basis. An allowance of \$1,500 for accounts receivable has been established as of June 30, 2005.

**(e) Inventory**

Inventory consists principally of expendable maintenance supplies, recorded when purchased and expensed when used. Inventory is recorded at cost

**(f) Capital Assets**

The Authority defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Land, structures and equipment are recorded at cost. Depreciation has been provided over estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Buildings	27.5 - 40 years
Site Improvements and modernization	10 years
Dwelling and non-dwelling equipment	5 years
Vehicles	5 years
Computer hardware and software	3 years

**(g) Compensated Absences**

Employees of the Authority are entitled to paid vacation, depending on job classification, length of service and other factors. Additionally, employees may accumulate unused sick leave benefits based on length of service. Obligations for unpaid vacation and sick leave benefits are recorded as a liability of the various funds as of June 30, 2005.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Family Self Sufficiency (FSS) Escrow**

The FSS Escrow Account is an interest bearing account reported as part of restricted cash and investments and established by the Authority for each participating family. An escrow credit reported as a liability is based on increases in earned income of the family. This escrow is credited to this account by the Authority during the term of the FSS contract. The Authority may make a portion of this escrow account available to the family during the term of the contract to enable the family to complete an interim goal such as education. If the family completes the contract and no member of the family is receiving welfare, the amount of the FSS account is paid to the head of the family. If the Authority terminates the contract, or if the family fails to complete the contract before its expiration, the family's FSS escrow account is forfeited.

**(i) Net Assets**

Net assets comprise the various net earnings from operating income, nonoperating revenues and expenses, and special items. Net assets are classified in the following three components:

*Invested in capital assets, net of related debt* - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

	<u>Conventional Housing Program</u>	<u>Section 8 Rental Voucher</u>	<u>Public Housing Capital</u>	<u>Nonmajor Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Capital assets	\$ 20,165,611	\$ 4,283,120	\$ 441,282	\$ 2,353	\$ 24,892,366	\$ 6,537,529
Related debt	<u>(1,898,576)</u>	<u>(1,417,500)</u>	<u>-</u>	<u>-</u>	<u>(3,316,076)</u>	<u>(3,550,000)</u>
Invested in capital assets net of related debt	<u>\$ 18,267,035</u>	<u>\$ 2,865,620</u>	<u>\$ 441,282</u>	<u>\$ 2,353</u>	<u>\$ 21,576,290</u>	<u>\$ 2,987,529</u>

- Related debt for the Conventional Housing Program includes \$1,040,585 and \$261,723 City of San Jose notes payable, \$270,298 Redevelopment Agency of the City of Santa Clara note payable, and \$325,970 of the Housing Projects certificates of participation.

*Restricted* - This component of net assets consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Use of Estimates**

Management of the Authority has made certain estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results may differ from those estimates.

**(k) Effects of New Pronouncements**

The Authority is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

In April 2004, GASB issued Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This statement establishes uniform financial reporting standards for other postemployment benefits (OPEB) plans. The approach followed in this statement generally is consistent with the approach adopted for defined benefit pension plans with modifications to reflect differences between pension plans and OPEB plans. The statement applies for OPEB trust funds included in the financial reports of plan sponsors or employers, as well as for the stand-alone financial reports of OPEB plans or the public employee retirement systems, or other third parties, that administer them. This statement also provides requirements for reporting of OPEB funds by administrators of multiple-employer OPEB plans, when the fund used to accumulate assets and pay benefits or premiums when due is not a trust fund. This statement is effective for the Authority's fiscal year ending June 30, 2007.

In June 2004, GASB issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which addresses how state and local governments should account for and report their costs and obligations related to postemployment healthcare and other nonpension benefits. Collectively, these benefits are commonly referred to as other postemployment benefits, or OPEB. The statement generally requires that employers account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most employers will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due. This statement's provisions may be applied prospectively and do not require governments to fund their OPEB plans. An employer may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however, the unfunded actuarial liability is required to be amortized over future periods. This statement also establishes disclosure requirements for information about the plans in which an employer participates, the funding policy followed, the actuarial valuation process and assumptions, and, for certain employers, the extent to which the plan has been funded over time. This statement is effective for the Authority's fiscal year ending June 30, 2008.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**  
(A Component Unit of the County of Santa Clara)  
Notes to Financial Statements  
For the Year Ended June 30, 2005

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

In December 2004, GASB issued Statement No. 46, *Net Assets Restricted by Legislation - an amendment of GASB Statement No.34*, which clarifies that a legally enforceable enabling legislation restriction is one that a party external to a government—such as citizens, public interest groups, or the judiciary—can compel a government to honor. This statement also specifies the accounting and financial reporting requirements if new enabling legislation replaces existing enabling legislation or if legal enforceability is reevaluated. Finally, this statement requires governments to disclose the portion of total net assets that is restricted by enabling legislation. This statement is effective for the Authority's fiscal year ending June 30, 2006

In June 2005, GASB issued Statement No. 47, *Accounting for Termination Benefits*, which establishes accounting standards for termination benefits. This statement requires employers to disclose a description of the termination benefit arrangement, the cost of the termination benefits, and significant methods and assumptions used to determine termination benefit liabilities. This statement is effective for the Authority's fiscal year ending June 30, 2006.

**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

**(a) Cash, Cash Equivalents and Investments**

Cash, cash equivalents and investments are presented on the accompanying statements of net assets as of June 30, 2005 is as follows:

Cash, cash equivalents and investments	\$ 22,801,200	
Restricted cash and investments	6,771,793	
Total cash, cash equivalents and investments	\$ 29,572,993	

Cash, cash equivalents and investments as of June 30, 2005 consist of the following:

Cash on hand	\$ 1,300	
Deposits with financial institutions	6,304,816	
Cash equivalents	11,647	
Investments	23,255,230	
Total cash, cash equivalents and investments	\$ 29,572,993	

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**(b) Investments Authorized by the Authority**

The Authority maintains a cash and investment pool that is available for use by all funds. The table below identifies the **investment types** that are authorized for the Authority by the California Government Code (or the Authority's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code that address **interest rate risk, credit risk, and concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the Authority, rather than the general provisions of the California Government Code or the Authority's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio*	Maximum Investment In One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	270 days	40%	30%
Prime Commercial Paper	180 days	15% or 30%*	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
State Warrant, Notes, Bonds	5 years	None	None
Notes & bonds of other Local Agencies	5 years	None	None
Medium-Term Corporate Notes	5 years	30%	None
Money Market Mutual funds & Mutual Funds	5 years**	15%	10%
Collateralized Bank Deposits	5 years	None	None
State Local Agency Investment Fund (LAIF)	N/A	None	None
Santa Clara County Pooled Investment Funds	N/A	None	None

\* 30% if dollar weighted average maturity of all commercial paper does not exceed 31 days.

\*\* Mutual funds maturity may be defined as the weighted average maturity.

Investments of debt proceeds held by bond trustees are governed by provisions of debt agreements, rather than the general provisions of the California Government Code or the Authority's investment policy. Included authorized investments are U.S. Agency Securities and money market mutual funds.

**(c) Interest Rate and Credit Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**  
(A Component Unit of the County of Santa Clara)

Notes to Financial Statements  
For the Year Ended June 30, 2005

**NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

The Authority is a voluntary participant in LAIF that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

A summary of the Authority's investments at June 30, 2005 is shown below.

	<u>Maturity Date</u>	<u>Credit Rating</u>	<u>Fair Value</u>
<b>Cash equivalents</b>			
<i>Internal Service Funds (Housing Authority Reserves and Activities Fund):</i>			
First American Treasury Obligation			
Money Market Fund	8 days average	AAA	<u>\$ 11,647</u>
<b>Investments</b>			
Pooled investment in LAIF	165 days average	Unrated	18,921,490
Restricted investments with fiscal agents:			
<i>Conventional Housing Program:</i>			
Wells Fargo Advantage 100% Treasury			
Money Market Fund	52 days average	AAA	3,275,216
Federal Home Loan Mortgage Corporation Discount Note	9/20/2005	AAA	256,148
Freddie Mac Discount Note	7/25/2005	AAA	<u>541,076</u>
Total Conventional Housing Program			<u>4,072,440</u>
<i>Internal Service Fund (Housing Authority Reserves and Activities Fund):</i>			
Federal Home loan Bank Medium Term Note	8/18/2009	AAA	<u>261,300</u>
Total Internal Service Funds			<u>261,300</u>
Total investments			<u><u>\$ 23,255,230</u></u>

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 4 - INTERFUND TRANSACTIONS**

**(a) Interfund Balances**

Due from other funds and Due to other funds amounts are current balances expected to be repaid during the following year. These balances generally consist of accruals for various revenues or expenses due to a fund, but received or paid to another, and subsidy transfers between funds.

Interfund receivable (payable) balances at June 30, 2005 consisted of the following:

	Interfund Payable (Due to)					Total
	Conventional Housing Program	Section 8 Rental Voucher	Public Housing Capital	Nonmajor Enterprise Funds	Internal Service Funds	
<b>Interfund Receivable (Due from)</b>						
Conventional Housing Program	\$ -	\$ 2,439	\$ 1,489	\$ 192,448	\$ -	\$ 196,376
Section 8 Rental Voucher	740	-	-	1,590,818	-	1,591,558
Nonmajor Enterprise Funds	-	161,572	-	1,931	-	163,503
Internal Service Funds	4,741	605,935	12,006	252,808	55,254	930,744
<b>Total</b>	<b>\$ 5,481</b>	<b>\$ 769,946</b>	<b>\$ 13,495</b>	<b>\$ 2,038,005</b>	<b>\$ 55,254</b>	<b>\$ 2,882,181</b>

**(b) Advances**

Interfund advances are not expected to be repaid in the following fiscal year. At June 30, 2005, the Internal Service Fund has a \$500,000 payable due to the Section 8 Rental Voucher Fund for working capital (payroll float).

**(c) Fund Transfers**

The Authority records transfers between program funds for various purposes including fund closings, earnings transfers, program subsidies, and equity contributions for the initial financing of the Authority's programs. During the year ended June 30, 2005, the Authority made the following fund transfers:

	Transfers In to			Total
	Conventional Housing Program	Nonmajor Enterprise Funds	Internal Service Funds	
<b>Transfers Out from:</b>				
Section 8 Rental Voucher	\$ -	\$ 125,789	\$ 155,981	\$ 281,770
Public Housing Capital	458,417	-	-	458,417
Nonmajor Enterprise Funds	-	-	3,578	3,578
Internal Service Funds	-	537	-	537
<b>Total</b>	<b>\$ 458,417</b>	<b>\$ 126,326</b>	<b>\$ 159,559</b>	<b>\$ 744,302</b>

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 4 - INTERFUND TRANSACTIONS (Continued)**

The significant transfers are described as follows: (1) the Public Housing Capital fund transferred \$458,417 to the Conventional Housing Program for 20% administration fee earned for the year (\$202,152) and the bond payment for Capital Fund Program Revenue Bonds (\$256,265) and (2) the Section 8 Rental Voucher Fund transferred reimbursements of \$125,789 to the Rental Assistance Program nonmajor fund and transferred prior year income related to the land lease of \$155,981 to the Internal Service Fund. Also in the current year, the Section 8 Rental Voucher Fund transferred Land in the amount of \$1,825,736 along with an offsetting deferred revenue credit to the Housing Authority Reserves & Activities (Internal Service) fund.

**NOTE 5 - SELF HELP LOANS RECEIVABLE**

The San Pedro Gardens project consists of 20 rental apartments and 16 self-help owner built units. The Authority held nine individual loans totaling \$183,540 at June 30, 2005 secured by deeds of trust on the individual properties. The loan agreements allow the Authority to repurchase units during the first four years of ownership at a restricted sales price and at market rates thereafter. If the borrower has occupied the unit for 20 years, 10% of the balance outstanding will be forgiven each year and the loan will be totally canceled at year 30. Due to the uncertainty of payment, a provision for allowance has been set aside for the cumulative accrued interest receivable at June 30, 2005 in the amount of \$422,986.

**NOTE 6 - CAPITAL ASSETS**

Capital assets activity for the year ended June 30, 2005 was as follows:

	<u>2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>2005</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 11,510,444	\$ -	\$ -	\$ 11,510,444
Construction in progress	-	325,970	-	325,970
Total capital assets, not being depreciated	<u>11,510,444</u>	<u>325,970</u>	<u>-</u>	<u>11,836,414</u>
<i>Capital assets, being depreciated:</i>				
Structures	33,968,170	115,688	-	34,083,858
Furniture and equipment	2,187,941	102,694	(33,001)	2,257,634
Total capital assets, being depreciated	<u>36,156,111</u>	<u>218,382</u>	<u>(33,001)</u>	<u>36,341,492</u>
<i>Less accumulated depreciation</i>				
Structures	(13,931,266)	(913,866)	-	(14,845,132)
Furniture and equipment	(1,652,805)	(283,075)	33,001	(1,902,879)
Less accumulated depreciation	<u>(15,584,071)</u>	<u>(1,196,941)</u>	<u>33,001</u>	<u>(16,748,011)</u>
Total capital assets, being depreciated, net	<u>20,572,040</u>	<u>(978,559)</u>	<u>-</u>	<u>19,593,481</u>
Total capital assets, net	<u>\$ 32,082,484</u>	<u>\$ (652,589)</u>	<u>\$ -</u>	<u>\$ 31,429,895</u>

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

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Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 6 - CAPITAL ASSETS (Continued)**

The Authority component units' capital assets activity for the year ended December 31, 2004 was as follows:

	<u>Balance January 1, 2004</u>	<u>Additions</u>	<u>Reductions / adjustments</u>	<u>Balance December 31, 2004</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,786,018	\$ -	\$ -	\$ 2,786,018
<i>Capital assets, being depreciated:</i>				
Structures	11,786,866	391,946	(16,896)	12,161,916
Furniture and equipment	108,016	-	91,960	199,976
Total capital assets, being depreciated	11,894,882	391,946	75,064	12,361,892
<i>Less accumulated depreciation</i>				
Structures	(3,698,050)	(393,387)	308	(4,091,129)
Furniture and equipment	(90,456)	(2,589)	(92,268)	(185,313)
Less accumulated depreciation	(3,788,506)	(395,976)	(91,960)	(4,276,442)
Total capital assets, being depreciated, net	8,106,376	(4,030)	(16,896)	8,085,450
Component units capital assets, net	\$ 10,892,394	\$ (4,030)	\$ (16,896)	\$ 10,871,468

**NOTE 7 - LONG-TERM OBLIGATIONS**

Outstanding long-term debt consisted of the following:

<u>Type of indebtedness (purpose)</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Principal Installments</u>	<u>Original Issue Amount</u>	<u>Balance June 30, 2005</u>
<i>Business-Type Activities:</i>					
<i>Notes payable</i>					
<i>Conventional Housing Program</i>					
City of San Jose (Lucretia Gardens)	8/1/2038	0%	\$ 1,040,585	\$ 1,113,628	\$ 1,040,585
City of San Jose (Julian Gardens)	8/1/2038	0%	261,723	319,372	261,723
Redevelopment Agency of the City of Santa Clara (Deborah & Miramer Properties)	4/24/2036	0%	270,298	270,298	270,298
<i>Certificates of Participation:</i>					
Housing Projects	10/1/2024	2% - 4.95%	160,000 - 335,000	4,550,000	4,390,000
Total Conventional Housing Program					5,962,606
<i>Section 8 Choice Voucher</i>					
Redevelopment Agency of the City of Morgan Hill	6/15/2022	1%	425,000	425,000	425,000
County of Santa Clara (San Pedro Gardens)	8/28/2012	0%	2,500/year	50,000	20,000
City of San Jose (Morrone Gardens)	9/23/2025	4%	20,000/year	972,500	972,500
Total Section 8 Voucher Program					1,417,500
<i>Nonmajor Fund - Development Services</i>					
<i>Lease Revenue Bonds:</i>					
<i>Internal Service Fund</i>					
Housing Authority Reserve and Activities Fund	9/1/2029	(1)	65,000 - 255,000	3,550,000	3,550,000
Total Primary Government					\$ 10,930,106

(1) - Variable rate, 2.24% effective as of June 30, 2005.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 7 - LONG-TERM OBLIGATIONS (Continued)**

<u>Type of indebtedness (purpose)</u>	<u>Maturity</u>	<u>Interest Rates</u>	<u>Principal Installments</u>	<u>Original Issue Amount</u>	<u>Balance December 31, 2004</u>
<b>Component Units Activities:</b>					
Redevelopment Agency of the					
City of Santa Clara	8/1/2007	2%	At maturity	\$ 1,246,000	\$ 1,246,000
California Housing Finance Agency	11/1/2005	1%	At maturity	900,000	450,000
Total Bracher HDC, Inc.					<u>1,696,000</u>
<i>Villa Garcia, Inc.</i>			Monthly		
GMAC Commercial Mortgage	3/1/2012	7%	amortization	1,253,500	590,322
HUD Flexible Subsidy Notes	11/1/2022	1%	1,415,905	1,415,905	1,551,840
County of Santa Clara	6/1/2012	3%	At maturity	100,000	122,558
City of San Jose	4/1/2022	3%	25% of Net Cash Flow	514,000	617,051
Total Villa Garcia, Inc.					<u>2,881,771</u>
<i>Villa San Pedro HDC, Inc.</i>			Monthly		
HUD Mortgage	2/1/2012	3%	amortization	1,162,206	416,051
HUD Flexible Subsidy Note	At sale or refinancing	0%	799,933	799,933	799,933
California Department of Housing and Community Development	9/1/2037	3%	4,156,800	4,156,800	4,870,494
City of San Jose	9/1/2041	3%	Deferred for 21 years	691,875	713,057
Total Villa San Pedro HDC, Inc.					<u>6,799,535</u>
<i>Rotary Plaza/HACSC, HDC, Inc.</i>			Deferred until		
County of Santa Clara Note	5/29/2033	6%	maturity	95,000	95,000
Total Component Units					<u>\$ 11,472,306</u>

Changes to the business-type activities long-term obligations are as follows:

	<u>Balance July 1, 2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2005</u>	<u>Amounts Due Within One Year</u>
<b>Business-Type Activities:</b>					
Bonds payable for the:					
Conventional Housing Program	\$ 4,550,000	\$ -	\$ (160,000)	\$ 4,390,000	\$ 160,000
Note payable for the:					
Conventional Housing Program	1,572,606	-	-	1,572,606	-
Section 8 Rental Voucher	1,420,000	-	(2,500)	1,417,500	2,500
Development Services	1,270,574	-	(1,270,574)	-	-
Lease Revenue Bonds for the					
Internal Service Fund - Housing Authorities Reserve and Activities fund	3,610,000	3,550,000	(3,610,000)	3,550,000	65,000
Total long-term debt	<u>12,423,180</u>	<u>3,550,000</u>	<u>(5,043,074)</u>	<u>10,930,106</u>	<u>227,500</u>
Payment In Lieu Of Taxes	1,596,951	118,672	-	1,715,623	-
Accrued vacation and sick leave	974,013	769,863	(997,410)	746,466	61,032
Accreted interest payable	428,215	217,310	(167,881)	477,644	44,710
Total Business-type Activities	<u>\$ 15,422,359</u>	<u>\$ 4,655,845</u>	<u>\$ (6,208,365)</u>	<u>\$ 13,869,839</u>	<u>\$ 333,242</u>

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 7 - LONG-TERM OBLIGATIONS (Continued)**

*Housing Authorities Reserve and Activities Internal Service Fund* - On September 1, 2004, the Santa Clara County Financing Authority (Financing Authority) issued \$3,550,000 of Series 2004A Lease Revenue Bonds (refunding bonds) that bear interest that is set each week by the remarketing agent based upon prevailing interest rates for 7-day variable rate demand bonds of similar credit quality trading in the municipal market place during the week. The refunding bonds have a final maturity date of September 1, 2029 and were issued to refund and redeem the Santa Clara County 1993 Certificates of Participation (COPS) that had interest rates ranging from 5.3% to 5.875% as of June 30, 2005. The refunding bonds were issued at par. The refunding resulted in a net difference between the acquisition price and the net carrying amount of the 1993 COPS of \$86,829. The Financing Authority completed this refunding to lower its interest rates and thereby generate economic gain. The refunding resulted in an increase of its total debt service payments by \$940,430 over 25 years. However, using an average of 4.205% for the refunding bonds, the refunding resulted in a net present value savings (economic) gain of \$370,268. A refunding escrow, in the amount \$3,474,043, provides for the principal, call premium and accrued interest through the redemption date, October 12, 2004.

*Opportunity Center Project* - During the year ended June 30, 2005, the \$1,270,574 outstanding balance (interim loan) in the Development Services Fund was replaced with a new permanent loan in the amount of \$1,280,000 between the City of Palo Alto (lender) and Community Working Group, Inc (the borrower). With the replacement of the interim loan by the new permanent loan between the City of Palo Alto and Community Working Group, the Authority is no longer responsible for this debt.

*PILOT* - In connection with the Conventional Housing Program, HUD requires the Authority to compute the annual Payment In Lieu Of Taxes (PILOT) based on the lesser of assessable value of owned housing multiplied by the current tax rate or 10% of the dwelling rents net of utilities expense to its taxing jurisdiction (County of Santa Clara). For the year ended June 30, 2005, the Authority accrued an additional \$118,672 for PILOT.

Changes to the component units' long-term obligations are as follows:

	<u>Balance January 1, 2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2004</u>	<u>Amounts Due Within One Year</u>
<i>Component Units:</i>					
Bracher HDC, Inc.	\$ 2,096,780	\$ 900,000	\$ (1,300,780)	\$ 1,696,000	\$ 450,000
Rotary Plaza/HACSC HDC, Inc	95,000	-	-	95,000	-
Villa Garcia, Inc.	2,919,162	43,670	(81,061)	2,881,771	62,492
Villa San Pedro HDC, Inc.	<u>6,843,279</u>	<u>122,665</u>	<u>(166,409)</u>	<u>6,799,535</u>	<u>121,432</u>
Total	<u>\$ 11,954,221</u>	<u>\$ 1,066,335</u>	<u>\$ (1,548,250)</u>	<u>\$ 11,472,306</u>	<u>\$ 633,924</u>

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

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Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 7 - LONG-TERM OBLIGATIONS (Continued)**

Annual debt service requirements of business-type activities to maturity are as follows:

Year Ending June 30,	Conventional Housing Program		Section 8 Rental Voucher		Lease Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 160,000	\$ 178,840	\$ 2,500	\$ 43,150	\$ 65,000	\$ 78,798
2007	165,000	175,640	2,500	43,150	65,000	77,342
2008	170,000	170,690	2,500	43,150	70,000	75,934
2009	180,000	165,590	2,500	43,150	75,000	74,104
2010	185,000	160,190	2,500	43,150	80,000	72,471
2011 - 2015	1,020,000	701,488	7,500	215,750	485,000	332,181
2016 - 2020	1,260,000	476,913	-	215,750	660,000	268,588
2021 - 2025	1,250,000	156,280	1,397,500	169,575	885,000	182,634
2026 - 2030	-	-	-	-	1,165,000	67,811
2031 - 2035	270,298	-	-	-	-	-
2036 - 2039	1,302,308	-	-	-	-	-
<b>Total</b>	<b>\$ 5,962,606</b>	<b>\$ 2,185,631</b>	<b>\$ 1,417,500</b>	<b>\$ 816,825</b>	<b>\$ 3,550,000</b>	<b>\$ 1,229,863</b>

The debt service requirements of component units, excluding HUD flexible subsidy notes, to maturity are as follows:

Year Ending December 31,	Bracher HDC, Inc.		Villa Garcia HDC, Inc.		Villa San Pedro HDC, Inc.	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 450,000	\$ -	\$ 62,492	\$ 47,780	\$ 53,517	\$ 11,748
2006	-	-	68,016	42,256	55,145	10,121
2007	-	10,383	74,027	36,244	56,822	8,443
2008	-	24,920	80,571	29,701	58,550	6,715
2009	-	24,920	87,693	22,579	60,331	4,934
2010 - 2014	-	124,600	340,081	21,414	131,686	4,362
2015 - 2019	-	124,600	-	-	-	-
2020 - 2024	-	124,600	617,051	-	-	-
2025 - 2029	-	124,600	-	-	-	-
2030 - 2034	1,246,000	114,217	-	-	-	-
2035 - 2039	-	-	-	-	4,870,494	-
2040 - 2041	-	-	-	-	713,057	-
<b>Total</b>	<b>\$ 1,696,000</b>	<b>\$ 672,840</b>	<b>\$ 1,329,931</b>	<b>\$ 199,974</b>	<b>\$ 5,999,602</b>	<b>\$ 46,323</b>

Year Ending December 31,	Rotary Plaza/HACSC HDC, Inc.	
	Principal	Interest
2005	\$ -	\$ 5,700
2006	-	5,700
2007	-	5,700
2008	-	5,700
2009	-	5,700
2010 - 2014	-	28,500
2015 - 2019	-	28,500
2020 - 2024	-	28,500
2025 - 2029	-	28,500
2030 - 2033	95,000	19,475
<b>Total</b>	<b>\$ 95,000</b>	<b>\$ 161,975</b>

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

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Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 8 - DEFICIT FUND NET ASSETS**

There are four nonmajor enterprise funds and one internal service fund with a deficit net asset balance at June 30, 2005. These deficit net assets are expected to be cured through a transfer from the Authority's unrestricted resources. These funds and the related deficits are as follows:

Nonmajor Enterprise Funds:	
Management Services Fund	\$ 810,031
Winter Shelter	8,634
Rincon Meals	234,235
Development Services	142,370
Internal Service Fund:	
Administrative Services	25,826

Rincon meals program deficits will be cured in the future by making one time transfers from unrestricted resources. Winter Shelter program and administrative services deficits are considered to be a temporary situation and is expected to be corrected in the future years. Management services provides a number of housing related services and the Authority is in the process of evaluating and discontinuing provision of services that are not profitable as a part of the Authority's overall reorganization. Due to the nature of uneven trend of revenue generation it is expected that Development Services will go through period of deficits until its lump sum development fees are earned and recognized.

**NOTE 9 - RELATED PARTIES**

*(a) Receivables from Related Parties*

The Authority has the following receivables from related parties as of June 30, 2005:

	Receivable due to				Long-term Receivables		Total
	Development Advances	Development Services	Other Advances	Management, Payroll and Overhead Charges	Notes Receivable	Lease/Mortgage Receivables	
<i>Partnerships:</i>							
AE Associates	\$ -	\$ -	\$ -	\$ 4,451	\$ 34,237	\$ 188,556	\$ 227,244
Bascom HACSC Associates	-	-	-	3,533	-	-	3,533
Blossom River Associates	-	-	-	7,023	-	-	7,023
Villa Hermosa Associates	-	-	-	2,956	-	-	2,956
Bracher Associates	-	-	-	2,201	-	-	2,201
DeRose Housing Associates	-	-	-	2,461	-	891,000	893,461
Helzer Associates	-	302,984	-	4,906	-	-	307,890
Huff Avenue Associates	-	-	-	6,371	-	-	6,371
Klamath Associates	15,426	-	-	3,179	-	-	18,605
Morrone Gardens Associates	-	-	-	2,870	-	166,235	169,105
Pinnore Associates	-	-	-	2,291	-	-	2,291
Poco Way Associates	-	-	-	3,541	-	-	3,541
HACSC/Choices							
Family Associates	-	-	-	3,036	-	-	3,036
HACSC/Choices							
Senior Associates	-	-	-	2,928	-	-	2,928
Fairgrounds Family Associates	104,595	-	-	-	-	-	104,595
Fairgrounds Senior Associates	254,277	-	-	-	-	-	254,277
San Pedro Gardens Associates	-	-	-	579	20,000	99,446	120,025
Thunderbird Associates	-	-	-	13,945	-	-	13,945
Willows /HACSC Associates	116,710	254,766	248,540	13	-	-	620,029
<i>Component Units:</i>							
Villa Garcia, Inc.	-	-	-	3,332	351,982	-	355,314
Villa San Pedro HDC, Inc.	-	-	-	3,279	48,842	-	52,121
Property Management, Inc.	-	-	-	185,042	-	-	185,042
<b>Total</b>	<b>\$ 491,008</b>	<b>\$ 557,750</b>	<b>\$ 248,540</b>	<b>\$ 257,937</b>	<b>\$ 455,061</b>	<b>\$ 1,345,237</b>	<b>\$ 3,355,533</b>

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

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Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 9 - RELATED PARTIES (Continued)**

*Development Advances* - The Authority advanced funds to the partnerships for development costs. These advances are non-interest bearing and are due in future years from available cash flow.

*Development Services* - For services performed in developing the partnerships' projects, the Authority earned developer fees. The receivables from the partnerships bear interest and are due in future years from available cash flow. As a result, the Authority has recorded an allowance for bad debts in the amount of \$1,156,000 on the Bascom HACSC Associates' development fee receivable of \$1,156,000.

*Other Advances* - The Authority loaned funds to Willows/HACSC Associates to assist with the refunding of its long-term debt.

*Management, Payroll and Overhead Charges* - The Authority has entered into agreements with the partnerships and component units to render services in managing the business of the partnerships and component units in return for fees and other reimbursements for payroll, related benefits, operating costs and insurance.

*Notes Receivable:*

- **AE Associates** - The Authority provided an unsecured loan to the partnership. The loan is non-interest bearing and is due October 2024.
- **San Pedro Gardens Associates** - The Authority provided an unsecured loan to the partnership in the original amount of \$50,000. The loan is non-interest bearing and is due on demand.
- **Villa Garcia, Inc.** - The Authority has loaned the corporation to help fund operating deficits and rehabilitation costs. Interest accrues at 6% compounded annually. Payments of principal and interest are due annually to the extent of 75% of the Project Net Income as defined. Unpaid principal and accrued interest thereon are due in full in May 2006.
- **Villa San Pedro HDC, Inc.** - The Authority has a note with the corporation. The note bears interest at 8% compounded annually. Payments of \$6,040 for principal and interest are due monthly until April 2006.

*Leases/Mortgage Receivable:*

- **AE Associates** - The Authority (Lessor) and the partnership (lessee) have entered into a 65-year land lease agreement for the premises on which the 84 residential apartment units are built. The annual rent is \$20,000 and is only payable to the extent of surplus cash. Any unpaid rent shall accrue without interest and is payable at the end of the lease term.
- **DeRose Housing Associates** - DeRose Housing Associates executed a sublease with a 40-year term which calls for rent of \$5,500 per month (Current Rent), increased each year on June 1, based on the consumer price index, and \$66,000 per annum (Accrued Rent), payable from surplus cash. If there is not sufficient surplus cash, any unpaid amount shall accumulate without interest until sufficient surplus cash is available. At the end of the lease term, the Authority has the right to acquire the leasehold improvements at the fair market price as established in the sublease agreement.

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Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 9 - RELATED PARTIES (Continued)**

- **Morrone Gardens Associates** - The Authority (Lessor) and the partnership (lessee) have entered into a 60-year land lease agreement. The annual rent is \$20,000 and is payable to the extent of surplus cash, as defined. Any unpaid rent shall accrue interest at 7% compounded annually, and is payable in subsequent years from surplus cash. Due to the uncertainty of payment, interest will be recorded when paid.
- **San Pedro Gardens Associates** - The Authority (Lessor) and the partnership (Lessee) have entered into a 65-year land lease agreement for the premises on which 20 residential apartment units are built. The annual rent is \$10,000 and is payable only to the extent of surplus cash, as defined. Any unpaid rent shall accrue interest at 8% compounded annually. Due to the uncertainty of payment, interest will be recorded when paid.

**(b) Deferred Credit from Related Parties**

*Willows/HACSC Associates* - The Authority (Lessor) and the partnership (Lessee) entered into a 60-year land lease agreement. Total cost of the lease was \$1,841,094, which was paid in full at inception of the agreement. The lease revenues are being amortized over the life of the lease. At June 30, 2005, the Authority has a deferred credit balance in the amount of \$1,662,099 related to this ground lease.

**(c) Guarantees and Commitments**

The Authority has agreed to guarantee obligations of affiliated entities that are general partners in affordable housing limited partnerships. These obligations may include operating deficits, development and low income housing tax credit guarantees. At June 30, 2005, the Authority's significant guarantees and commitments are as summarized follows:

Partnership	Operating Deficit Guarantees	General Partner Demand Notes	Tax Indemnification Guarantees	Loan Repayment Guarantee
AE Associates	\$ 380,000 <sup>(1)</sup>	\$ 150,000	\$ 247,219	\$ -
Bascom HACSC Associates	1,043,000	-	5,867,980	-
Blossom River Associates	920,000	250,000	4,887,854	-
Bracher Associates	365,000	190,000	819,405	-
DeRose Housing Associates	250,000	175,000	-	-
Fairgrounds Family Associates	-	-	-	160,000
Fairgrounds Senior Associates	-	-	-	100,000
Helzer Associates	1,300,000	-	7,447,422	-
Huff Avenue Associates	593,000	277,000	1,102,942	-
John Burns Gardens	630,000	-	5,380,567	-
Klamath Associates	114,000	71,000	-	-
Morrone Gardens Associates	198,000	194,000	332,548	331,000
Pinmore Associates	340,000	186,000	203,171	-
Poco Way Associates	764,000	460,000	3,391,209	4,700,000
RiverTown Apartments	840,000	-	6,724,058	-
San Pedro Gardens Associates	87,000	80,000	-	-
Thunderbird Associates	Unlimited	-	4,428,765	-
Willows/HACSC Associates	643,000	-	556,374	-

<sup>(1)</sup> Plus any accrued ground rent

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 9 - RELATED PARTIES (Continued)**

**(d) Conduit Debt**

From time to time, the Authority has issued Multi-family Housing Revenue Bonds to provide funds to builders for the construction of multi-family housing projects. The bonds are payable solely from the revenues collected by the builders of the projects. The Authority is not obligated in any manner for repayment of the indebtedness. Accordingly, the liabilities are not reported in the Authority's basic financial statements.

- **AE Associates** - In October 1991, the Authority participated in the issuance of \$4,035,000 of Variable Rate Demand Multifamily Housing Revenue Bonds Issue A of 1991. These bonds were issued to make a developer loan to AE Associates to be used for construction and permanent financing of an 84-unit multifamily residential rental housing development located in San Jose. The bonds are secured by the property and mature on October 1, 2021. At December 31, 2004, the principal amount is paid off.
- **Blossom River Associates** - In March 1998, the Authority participated in the issuance of \$13,350,000 of Multifamily Housing Revenue Bonds Series 1998 A and 1998A-T. These bonds were issued to provide financing for the construction and development by Blossom River Associates of a 144-unit multifamily rental housing project and related support facilities. In accordance with the Indenture of Trust, trusts were established with the Bond Trustee to receive revenues from the project and distribute those revenues to various funds for principal and interest and other reserves, with the balance available for operating expenses. At June 30, 2005, the principal amount payable for this issue was \$13,000,000.
- **HACSC/Choices Family Associates** - In August 2001, the Authority participated in the issuance of Multifamily Housing Revenue Bonds Series 2001A, Series 2001B and Series 2001C in the amount of \$8,865,000, \$5,405,000 and \$600,000, respectively. These bonds were issued to provide financing for the construction and development by HACSC/Choices Family Associates of 100 apartment units located in the City of Santa Clara (RiverTown Apartment Project). In accordance with the Indenture of Trust, trusts were established with the Bond Trustee to receive revenues from the project and distribute those revenues to various funds for principal and interest and other reserves, with the balance available for operating expenses. At June 30, 2005, the principal amounts payable for these issues were \$8,730,000, \$0 and \$0, respectively.
- **HACSC/Choices Senior Associates** - In August 2001, the Authority participated in the issuance of Multifamily Housing Revenue Bonds Series 2001A and Series 2001B in the amount of \$6,715,000 and \$3,750,000, respectively. These bonds were issued to provide financing for the construction and development by HACSC/Choices Senior Associates of a 100-unit multifamily rental housing development for seniors and related support facilities to be known as John Burns Gardens Apartments. In accordance with the Indenture of Trust, trusts were established with the Bond Trustee to receive revenues from the project and distribute those revenues to various funds for principal and interest and other reserves, with the balance available for operating expenses. At June 30, 2005, the principal amount payable for these issues was \$6,615,000 and \$0, respectively.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 9 - RELATED PARTIES (Continued)**

- **Willows/HACSC Associates** - In May 2005, the Authority participated in the refunding of the Multifamily Housing Revenue Bonds Series 1999 A and 1999A-T that had a carrying value of \$4,549,000 with Multifamily Housing Revenue Bonds Series 2005A and 2005A-T in the amounts of \$4,284,000 and \$100,000 respectively. The 1999A and 1999A-T bonds were refunded to take advantage of more favorable interest rates. The 1999 A and 1999A-T bonds were fully paid off and no balance is outstanding as of June 30, 2005. The original bonds were issued to provide financing for the acquisition of a leasehold interest in the land and fee interest in the improvements and rehabilitation by Willows/HACSC Associates of a 47-unit multifamily rental housing project. At June 30, 2005, the principal amount payable for the refunding bond issues were \$4,284,000 and \$95,000 respectively.
  
- **Opportunity Center of the Mid-Peninsula** - In July 2004, the Authority participated in the issuance of Multifamily Housing Revenue Bonds Series 2004A in the amount of \$9,975,000. These bonds were issued for the purpose of making a loan to provide financing for the acquisition, construction, and development by Opportunity Center of the Mid-Peninsula of a 89-unit multifamily rental housing development project located in the City of Palo Alto. In accordance with the Indenture of Trust, trusts were established with the Bond Trustee to receive revenues from the project and distribute those revenues to various funds for principal and interest and other reserves, with the balance available for operating expenses. At June 30, 2005, the principal amount payable for this issue was \$9,975,000.

The Authority participated as a conduit debt issuer for a number of housing development projects that are not part of the Authority's operations. These issues are typically used in multi-family housing acquisition and construction. The Authority usually assigns the financing agreement (including all rights of issuer, except for reserved rights) together with other property to the Trustees. As of June 30, 2005, the Authority has the following outstanding conduit debt with non-Authority related entities.

<u>Partnership</u>	<u>Project</u>	<u>Number of Units</u>	<u>Original Issue</u>	<u>Balance June 30, 2005</u>
Cedar Glen Associates	Cedar Glen	260	\$ 16,550,000	\$ 12,675,000
Benton Park Central Apts.	Benton Park Central	172	10,900,000	10,900,000
Elena Gardens	Elena Gardens	168	8,665,000	8,125,000
Sierra Vista I/Charities Housing Corp.	Sierra Vista	34	4,135,000	3,860,000
San Francisco Bay Partners III, L.P.	Foxchase	210	17,700,000	16,800,000
Arastradero Park Apts. Corp.	Arastradero Park	66	6,930,000	6,465,000
MP Latham Associates	Latham Park	74	4,500,000	2,978,702
	<b>Total</b>			<u>\$ 61,803,702</u>

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 10 - RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. There have been no significant reductions in insurance coverage from the previous year, nor have settled claims exceeded the Authority's insurance coverage in any of the past three fiscal years.

The Authority is one of six public housing authorities of the California Housing Authority Risk Management Agency (CHARMA). CHARMA is a joint powers authority that provides cost effective risk management. CHARMA was formed to provide comprehensive liability, all-risk property, vehicle liability & property damage and employment practices liability (including errors and omissions) coverage through group self-insurance, purchasing excess insurance on a collective basis and providing other coverage as approved by the CHARMA Board of Directors. The pooling of liability exposure allows CHARMA members to enjoy the benefits of self-insurance while protecting themselves from significant losses through spreading the adverse effects of losses among the member agencies. CHARMA members also benefit from the purchasing clout of a large buying group when purchasing insurance. CHARMA members are assessed a premium to cover both the self-insurance and purchased insurance requirements. Should actual losses among participants be greater than anticipated, the Authority will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the Authority may be refunded its pro rata share of the excess.

Workers compensation and employer's liability insurance are provided through California Housing Workers Compensation Authority (CHWCA), a joint powers insurance authority. The purpose of CHWCA is to pool resources of its members to provide coverage through group self-insurance, purchase insurance beyond what is provided through the pool and obtain favorable rates afforded through purchasing as a pool. Members are assessed premiums to cover both the self-insurance as well as the purchased insurance coverage of this risk management.

The Authority's deductibles and maximum coverage follows:

Coverage:	<u>Deductible</u>	<u>CHARMA/ CHWCA</u>	<u>Excess Coverage</u>
General liability	\$ 25,000	\$ 250,000	\$ 10,000,000
Property damage	25,000	100,000	100,000,000
Automobile liability	2,500	100,000	5,000,000
Employment practices	50,000	-	1,000,000
Workers' compensation	-	500,000	Statutory

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 10 – RISK MANAGEMENT (Continued)**

Changes in the Authority's claims liability during the fiscal years ended June 30, 2005 and 2004 were as follows:

	<u>Claims Liability July 1</u>	<u>Claims and Changes in Estimates</u>	<u>Year Claims Payments</u>	<u>Claims Liability June 30</u>
2004	\$ 27,917	\$ -	\$ 17,382	\$ 10,535
2005	10,535	769	-	11,304

The Authority records its risk financing activities in the Internal Service Fund. The claims liability is reported as a component of the other liabilities in the Statement of Net Assets.

**NOTE 11 – PENSION PLAN**

**(a) Plan Description**

The Authority participates in and administers a defined contribution retirement plan (Housing Authority of the County of Santa Clara Retirement Plan & Trust (the Plan)). All regular employees of the Authority with more than six months of service participate in the plan. The Authority makes monthly contributions based on 12% of all qualified employees' gross salary at July 1 and January 1. The Plan, which had 290 participants, had ending cash value of \$11,948,738 at June 30, 2005. Employer contributions are vested 20% for each year of service of the individual employee until the employee becomes fully vested. During the fiscal year ended June 30, 2005, the Authority contributed \$1,153,355 to the Plan. At June 30, 2005, 124 employees had loans outstanding to the Plan in the amount of \$978,386.

**(b) Other Post-Employment Benefits**

The Authority provides eligible employees with post-retirement healthcare benefits. These benefits include medical, dental and vision service plan coverages. These benefits are open to all employees who are at least 62 years of age when they retire and have 20 years of continuous employment with the Authority. The percentage of net premiums paid by the Authority is dependent on the number of years of employment at the Authority. For eligible employees who retire between the ages of 62 – 64, this ranges from 80% of the net premium to 100%. For eligible employees who retire at age 65, the Authority pays 100% of the net premium. The employee's medical provider at the time of retirement will be the same medical provider during the final year of employment unless the employee moves from the plan service area. Participation in Part A and Part B of the Medicare plan available at the time of retirement is a requirement of the plan. The surviving spouse may continue to purchase medical coverage after the death of the retiree.

The Authority finances the medical, dental and vision service plan on a pay-as-you-go basis. For the 10 surviving retirees who retired on or before June 30, 2005, the Authority contributed \$52,687, \$12,199 and \$2,129 for medical, dental and vision service plans, respectively, for the year ended June 30, 2005.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Notes to Financial Statements

For the Year Ended June 30, 2005

**NOTE 12 – COMMITMENTS AND CONTINGENT LIABILITIES**

*Operating Lease*

In January of 2005, the Authority renewed its noncancelable lease agreement on its Great Oaks facility that is utilized as office space. The Authority also has pre-existing lease agreements on its Parrot street and its West Julian street building. The approximate minimum operating lease commitments for its buildings are as follows:

<u>Fiscal year ending June 30:</u>	<u>Amount</u>
2006	\$ 347,734
2007	332,334
2008	332,334
2009	127,259
2010	66,970
	<u>\$ 1,206,631</u>

*Grant Programs*

The Authority has received funds from various federal, state, and local grant programs. It is possible that at some future date it may be determined that the Authority was not in compliance with applicable grant requirements. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Authority does not expect such disallowed amounts, if any, to materially affect the basic financial statements.

*Line of Credit*

In October 2003, the Authority obtained a line of credit facility in the amount of \$3,000,000 with Union Bank of California. This line of credit expires in January of 2007. The Authority did not utilize the line of credit in the current year.

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**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Combining Statement of Net Assets

Discrete Component Units

June 30, 2005

	Avenida España HDC, Inc.(1)	Bracher HDC, Inc.(1)	DeRose HDC, Inc.(1)	Pinmore HDC, Inc.(1)
<b>Assets:</b>				
<b>Current Assets:</b>				
Cash:				
Unrestricted	\$ 47,460	\$ 141,105	\$ 13,163	\$ 1,199
Restricted	-	219,281	-	-
Tenant security deposits	-	-	-	-
<b>Total cash</b>	<u>47,460</u>	<u>360,386</u>	<u>13,163</u>	<u>1,199</u>
Accounts receivable, net:				
Tenants	-	-	-	-
Others	91,825	16,873	162,745	240,268
<b>Total accounts receivable, net</b>	<u>91,825</u>	<u>16,873</u>	<u>162,745</u>	<u>240,268</u>
Prepaid expenses	-	5,378	-	-
<b>Total current assets</b>	<u>139,285</u>	<u>382,637</u>	<u>175,908</u>	<u>241,467</u>
<b>Noncurrent assets:</b>				
Restricted cash and investments	-	319,305	-	-
Investments in limited partnerships	48,464	62,940	613,909	-
Other assets	-	20,429	-	-
<b>Capital assets:</b>				
Nondepreciable	-	742,018	-	-
Depreciable	-	3,138,824	-	-
<b>Total capital assets</b>	<u>-</u>	<u>3,880,842</u>	<u>-</u>	<u>-</u>
<b>Total noncurrent assets</b>	<u>48,464</u>	<u>4,283,516</u>	<u>613,909</u>	<u>-</u>
<b>Total assets</b>	<u>187,749</u>	<u>4,666,153</u>	<u>789,817</u>	<u>241,467</u>
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Accounts payable	2,025	175,998	1,045	1,045
Accrued interest payable	-	53,676	-	-
HUD PHA programs payable	-	-	-	-
Due to primary government	-	-	-	-
Other accrued liabilities	-	-	-	-
Tenant security deposits	-	-	-	-
Deferred revenue	-	-	-	-
Current portion of long-term obligations	-	450,000	-	-
<b>Total current liabilities</b>	<u>2,025</u>	<u>679,674</u>	<u>1,045</u>	<u>1,045</u>
Long-term obligations, net of current portion	-	1,246,000	-	-
Advance from primary government	-	-	-	-
<b>Total liabilities</b>	<u>2,025</u>	<u>1,925,674</u>	<u>1,045</u>	<u>1,045</u>
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	-	2,184,842	-	-
Restricted	-	319,305	-	-
Unrestricted (deficits)	185,724	236,332	788,772	240,422
<b>Total net assets (deficits)</b>	<u>\$ 185,724</u>	<u>\$ 2,740,479</u>	<u>\$ 788,772</u>	<u>\$ 240,422</u>

(1) As of December 31, 2004

(2) As of May 31, 2005

Rotary Plaza/ HACSC HDC, Inc.(1)	San Pedro Gardens HDC, Inc.(1)	Villa Garcia, Inc.(1)	Villa San Pedro HDC, Inc. (1)	Poco Way HDC, Inc.(2)	Property Management, Inc. (1)	PRIDE	Total
\$ 1,501	\$ -	\$ 110,961	\$ 282,462	\$ 4,810	\$ 5,893	\$ 21,342	\$ 629,896
-	-	-	-	-	-	-	219,281
-	-	-	-	-	181,888	-	181,888
1,501	-	110,961	282,462	4,810	187,781	21,342	1,031,065
-	-	3,143	7,781	-	-	-	10,924
94,400	114,699	-	-	114,936	429,012	-	1,264,758
94,400	114,699	3,143	7,781	114,936	429,012	-	1,275,682
-	-	7,082	34,027	-	-	-	46,487
95,901	114,699	121,186	324,270	119,746	616,793	21,342	2,353,234
-	-	400,348	416,691	-	-	-	1,136,344
296,987	-	-	-	667,232	-	-	1,689,532
104,090	-	216	-	-	-	-	124,735
-	-	144,000	1,900,000	-	-	-	2,786,018
-	-	1,743,094	3,203,532	-	-	-	8,085,450
-	-	1,887,094	5,103,532	-	-	-	10,871,468
401,077	-	2,287,658	5,520,223	667,232	-	-	13,822,079
496,978	114,699	2,408,844	5,844,493	786,978	616,793	21,342	16,175,313
6,977	1,588	38,626	148,932	-	8,779	-	385,015
9,090	-	-	-	-	-	-	62,766
-	-	-	1,393	-	-	-	1,393
-	-	-	-	-	513,929	-	513,929
-	330,721	-	-	-	-	-	330,721
-	-	25,482	27,160	-	181,888	-	234,530
-	-	527	1,451	-	3,336	-	5,314
-	-	62,492	121,432	-	-	-	633,924
16,067	332,309	127,127	300,368	-	707,932	-	2,167,592
95,000	-	2,819,279	6,678,103	-	-	-	10,838,382
-	-	375,707	82,345	-	-	-	458,052
111,067	332,309	3,322,113	7,060,816	-	707,932	-	13,464,026
-	-	(994,677)	(1,696,003)	-	-	-	(505,838)
-	-	-	-	-	-	-	319,305
385,911	(217,610)	81,408	479,680	786,978	(91,139)	21,342	2,897,820
\$ 385,911	\$ (217,610)	\$ (913,269)	\$ (1,216,323)	\$ 786,978	\$ (91,139)	\$ 21,342	\$ 2,711,287

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**  
(A Component Unit of the County of Santa Clara)  
Combining Statement of Revenues, Expenses and Changes in Net Assets  
Discrete Component Units  
For the Year Ended June 30, 2005

	Avenida España HDC, Inc.(1)	Bracher HDC, Inc.(1)	DeRose HDC, Inc.(1)	Pinmore HDC, Inc.(1)
<b>Operating revenues:</b>				
Rental income	\$ -	\$ 675,000	\$ -	\$ -
Management fees	15,000	30,000	45,000	40,000
Donation and other	-	59,410	-	-
<b>Total operating revenues</b>	<u>15,000</u>	<u>764,410</u>	<u>45,000</u>	<u>40,000</u>
<b>Operating expenses:</b>				
Administrative	12,653	95,432	28,168	882
Utilities	-	-	-	-
Maintenance and operations	-	-	-	-
Insurance	-	-	-	-
Depreciation	-	82,637	-	-
Other	2,113	-	1,279	5,333
<b>Total operating expenses</b>	<u>14,766</u>	<u>178,069</u>	<u>29,447</u>	<u>6,215</u>
<b>Operating income (loss)</b>	<u>234</u>	<u>586,341</u>	<u>15,553</u>	<u>33,785</u>
<b>Nonoperating revenues (expenses):</b>				
Investment income	48,497	2,900	127	168
Interest expense	-	(25,069)	-	-
<b>Total nonoperating revenues (expenses)</b>	<u>48,497</u>	<u>(22,169)</u>	<u>127</u>	<u>168</u>
<b>Change in net assets</b>	<u>48,731</u>	<u>564,172</u>	<u>15,680</u>	<u>33,953</u>
Net assets (deficits), beginning of year	136,993	2,176,307	773,092	206,469
<b>Net assets (deficits), end of year</b>	<u>\$ 185,724</u>	<u>\$ 2,740,479</u>	<u>\$ 788,772</u>	<u>\$ 240,422</u>

(1) For the Year Ended December 31, 2004

(2) For the Year Ended May 31, 2005

Rotary Plaza/ HACSC HDC, Inc.(1)	San Pedro Gardens HDC, Inc.(1)	Villa Garcia, Inc.(1)	Villa San Pedro HDC, Inc. (1)	Poco Way HDC, Inc.(2)	Property Management, Inc. (1)	PRIDE	Total
\$ -	\$ -	\$ 700,038	\$ 835,972	\$ -	\$ -	\$ -	\$ 2,211,010
16,200	40,500	-	-	15,000	950,875	-	1,152,575
-	-	11,243	28,300	5,481	58,593	22,811	185,838
<u>16,200</u>	<u>40,500</u>	<u>711,281</u>	<u>864,272</u>	<u>20,481</u>	<u>1,009,468</u>	<u>22,811</u>	<u>3,549,423</u>
1,868	35,093	232,625	176,670	848	1,013,131	23,732	1,621,102
-	-	123,093	119,367	-	-	-	242,460
-	-	17,673	171,950	-	-	-	189,623
-	-	26,465	51,448	-	-	-	77,913
-	-	117,933	195,406	-	-	-	395,976
<u>2,764</u>	<u>262,094</u>	<u>113,210</u>	<u>116,155</u>	<u>11,523</u>	<u>-</u>	<u>-</u>	<u>514,471</u>
<u>4,632</u>	<u>297,187</u>	<u>630,999</u>	<u>830,996</u>	<u>12,371</u>	<u>1,013,131</u>	<u>23,732</u>	<u>3,041,545</u>
<u>11,568</u>	<u>(256,687)</u>	<u>80,282</u>	<u>33,276</u>	<u>8,110</u>	<u>(3,663)</u>	<u>(921)</u>	<u>507,878</u>
5,751	16,247	1,778	7,849	32	-	16	83,365
<u>(5,700)</u>	<u>-</u>	<u>(45,609)</u>	<u>(155,204)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(231,582)</u>
<u>51</u>	<u>16,247</u>	<u>(43,831)</u>	<u>(147,355)</u>	<u>32</u>	<u>-</u>	<u>16</u>	<u>(148,217)</u>
11,619	(240,440)	36,451	(114,079)	8,142	(3,663)	(905)	359,661
<u>374,292</u>	<u>22,830</u>	<u>(949,720)</u>	<u>(1,102,244)</u>	<u>778,836</u>	<u>(87,476)</u>	<u>22,247</u>	<u>2,351,626</u>
<u>\$ 385,911</u>	<u>\$ (217,610)</u>	<u>\$ (913,269)</u>	<u>\$ (1,216,323)</u>	<u>\$ 786,978</u>	<u>\$ (91,139)</u>	<u>\$ 21,342</u>	<u>\$ 2,711,287</u>

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Combining Statement of Cash Flows

Discrete Component Units

For the Year Ended June 30, 2005

	Avenida España HDC, Inc.(1)	Bracher HDC, Inc.(1)	DeRose HDC, Inc.(1)	Pinmore HDC, Inc.(1)
<b>Cash flows from operating activities:</b>				
Receipts from tenants	\$ -	\$ 675,000	\$ -	\$ -
Receipts from customers and others	60,067	101,542	28,110	1,055
Payments to suppliers for goods and services	(13,716)	16,470	(29,397)	(6,145)
Payments to primary government for goods and services	-	-	-	-
Payments to employees for services	-	-	-	-
Net cash provided by (used in) operating activities	<u>46,351</u>	<u>793,012</u>	<u>(1,287)</u>	<u>(5,090)</u>
<b>Cash flows from noncapital financing activities:</b>				
Repayment on loans from the Authority	-	-	-	-
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets	-	(19,137)	-	-
Proceeds from long term borrowings	-	804,451	-	-
Repayments of long-term liabilities	-	(1,300,780)	-	-
Interest paid	-	(15,211)	-	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(530,677)</u>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities:</b>				
Interest received	48,497	2,900	127	168
Receipts from replacement reserve, other reserves and restricted escrow	-	-	-	-
Payments for replacement reserve, other reserves and restricted escrow	-	-	-	-
Receipt from investment in limited partnerships	-	-	1,160	6,121
Payments for investment in limited partnerships	(47,388)	(62,940)	-	-
Receipt from restricted escrow account	-	130,939	-	-
Payments to restricted escrow account	-	-	-	-
Net cash provided by (used in) investing activities	<u>1,109</u>	<u>70,899</u>	<u>1,287</u>	<u>6,289</u>
Net change in cash and cash equivalents	47,460	333,234	-	1,199
Cash and cash equivalents, beginning of year	-	27,152	13,163	-
Cash and cash equivalents, end of year	<u>\$ 47,460</u>	<u>\$ 360,386</u>	<u>\$ 13,163</u>	<u>\$ 1,199</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 234	\$ 586,341	\$ 15,553	\$ 33,785
Adjustment to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	-	82,637	-	-
Loss on disposal of capital asset	-	16,896	-	-
Decrease (increase) in:				
Receivables	45,067	12,132	(16,890)	(38,945)
Prepaid expenses	-	(5,378)	-	-
Increase (decrease) in:				
Accounts payable and accrued expenses	1,050	100,384	50	70
Tenant security deposits	-	-	-	-
Deferred revenue	-	-	-	-
Other liabilities	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 46,351</u>	<u>\$ 793,012</u>	<u>\$ (1,287)</u>	<u>\$ (5,090)</u>
<b>Supplemental disclosures of cash flow information:</b>				
<b>Noncash capital and related financing activities</b>				
Interest accrued on long-term obligations from related parties	\$ -	\$ -	\$ -	\$ -
Capital assets acquired by assuming debt	-	94,549	-	-

(1) For the Year Ended December 31, 2004

(2) For the Year Ended May 31, 2005

Rotary Plaza/ HACSC HDC, Inc.(1)	San Pedro Gardens HDC, Inc.(1)	Villa Garcia, Inc.(1)	Villa San Pedro HDC, Inc. (1)	Poco Way HDC, Inc.(2)	Property Management, Inc. (1)	PRIDE	Total
\$ -	\$ -	\$ 700,548	\$ 832,616	\$ -	\$ 31,170	\$ -	\$ 2,239,334
100,634	43,000	13,269	28,847	20,480	926,167	41,859	1,365,030
(4,571)	(305,097)	(359,822)	(312,108)	(13,346)	167,402	(43,732)	(904,062)
-	-	(48,691)	(45,592)	-	(1,181,066)	-	(1,275,349)
-	-	(125,265)	(156,607)	-	-	-	(281,872)
<u>96,063</u>	<u>(262,097)</u>	<u>180,039</u>	<u>347,156</u>	<u>7,134</u>	<u>(56,327)</u>	<u>(1,873)</u>	<u>1,143,081</u>
-	-	-	(63,129)	-	-	-	(63,129)
-	-	-	(277,260)	-	-	-	(296,397)
-	-	-	-	-	-	-	804,451
-	-	(81,061)	(166,409)	-	-	-	(1,548,250)
-	-	(47,117)	(32,539)	-	-	-	(94,867)
-	-	(128,178)	(476,208)	-	-	-	(1,135,063)
5,751	16,247	1,778	7,849	32	-	16	83,365
-	-	-	324,823	-	-	-	324,823
-	-	(88,578)	-	-	-	-	(88,578)
2,282	245,850	-	-	-	-	-	255,413
-	-	-	-	(7,166)	-	-	(117,494)
-	-	-	-	-	-	-	130,939
(104,090)	-	(697)	-	-	-	-	(104,787)
<u>(96,057)</u>	<u>262,097</u>	<u>(87,497)</u>	<u>332,672</u>	<u>(7,134)</u>	<u>-</u>	<u>16</u>	<u>483,681</u>
6	-	(35,636)	140,491	-	(56,327)	(1,857)	428,570
1,495	-	146,597	141,971	4,810	244,108	23,199	602,495
<u>\$ 1,501</u>	<u>\$ -</u>	<u>\$ 110,961</u>	<u>\$ 282,462</u>	<u>\$ 4,810</u>	<u>\$ 187,781</u>	<u>\$ 21,342</u>	<u>\$ 1,031,065</u>
\$ 11,568	\$ (256,687)	\$ 80,282	\$ 33,276	\$ 8,110	\$ (3,663)	\$ (921)	\$ 507,878
-	-	117,933	195,406	-	-	-	395,976
-	-	-	-	-	-	-	16,896
84,434	2,500	(679)	(4,782)	(1)	(6,699)	19,048	95,185
-	-	(446)	(1,186)	-	-	-	(7,010)
61	(7,910)	(18,763)	122,469	(975)	(514,462)	-	(318,026)
-	-	2,026	547	-	1,551	-	4,124
-	-	(314)	1,426	-	(46,983)	-	(45,871)
-	-	-	-	-	513,929	(20,000)	493,929
<u>\$ 96,063</u>	<u>\$ (262,097)</u>	<u>\$ 180,039</u>	<u>\$ 347,156</u>	<u>\$ 7,134</u>	<u>\$ (56,327)</u>	<u>\$ (1,873)</u>	<u>\$ 1,143,081</u>
\$ -	\$ -	\$ 138,802	\$ 120,812	\$ -	\$ -	\$ -	\$ 259,614
-	-	-	-	-	-	-	94,549

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Combining Statement of Net Assets

Nonmajor Enterprise Funds

June 30, 2005

	Management Services	Section 8 Moderate Rehabilitation	Shelter Plus Care	Section 8 New Construction	Section 8 SACSC/ Huff
<b>Assets:</b>					
<b>Current Assets:</b>					
Cash and investments	\$ 29,218	\$ 543,368	\$ 1,703	\$ 319,446	\$ 67,035
Accounts receivable, net:					
Tenants	-	-	-	-	-
HUD	-	39,016	403,070	-	24,521
Others	271,198	-	-	-	-
Interest receivable	-	1,345	-	1,345	-
Due from other funds	-	365	-	-	-
Due from related parties	63,677	-	-	-	-
Prepaid expenses	-	-	-	-	-
<b>Total current assets</b>	<b>364,093</b>	<b>584,094</b>	<b>404,773</b>	<b>320,791</b>	<b>91,556</b>
<b>Noncurrent assets:</b>					
Restricted cash and investments	-	-	-	-	-
<b>Capital assets:</b>					
Depreciable	2,353	-	-	-	-
<b>Total capital assets</b>	<b>2,353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total noncurrent assets</b>	<b>2,353</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets</b>	<b>366,446</b>	<b>584,094</b>	<b>404,773</b>	<b>320,791</b>	<b>91,556</b>
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable	34,813	707	519	6	-
Intergovernmental payable	-	21,104	-	32,889	-
Due to other funds	675,299	3,851	11,879	263	33
Due to component units	18,231	-	-	-	-
Other accrued liabilities	202,165	11,431	8,649	181	21
Tenant security deposits	-	-	-	-	-
Deferred revenue	260	-	-	-	-
Current portion of accrued vacation and sick leave	20,983	-	407	54	6
<b>Total current liabilities</b>	<b>951,751</b>	<b>37,093</b>	<b>21,454</b>	<b>33,393</b>	<b>60</b>
Accrued vacation and sick leave, net of current portion	224,726	2,351	4,184	643	71
<b>Total liabilities</b>	<b>1,176,477</b>	<b>39,444</b>	<b>25,638</b>	<b>34,036</b>	<b>131</b>
<b>Net Assets:</b>					
Invested in capital assets, net of related debt	2,353	-	-	-	-
Unrestricted (deficit)	(812,384)	544,650	379,135	286,755	91,425
<b>Total net assets (deficits)</b>	<b>\$ (810,031)</b>	<b>\$ 544,650</b>	<b>\$ 379,135</b>	<b>\$ 286,755</b>	<b>\$ 91,425</b>

CHAM	Winter Shelter	Rincon Meals	Migrant Services	Development Services	Welfare to Work	Rental Assistance Program	Total
\$ 4,052	\$ 2,671	\$ -	\$ 100	\$ 36,853	\$ 2,509	\$ 500	\$ 1,007,455
447	-	892	2,179	-	-	-	3,518
-	-	-	-	-	178,838	-	645,445
-	-	11,235	19,223	-	-	-	301,656
-	-	-	-	-	-	-	2,690
-	-	-	1,931	-	161,207	-	163,503
-	-	-	-	678,766	-	-	742,443
-	-	-	-	-	90	-	90
4,499	2,671	12,127	23,433	715,619	342,644	500	2,866,800
1,847	-	-	316,852	-	-	-	318,699
-	-	-	-	-	-	-	2,353
-	-	-	-	-	-	-	2,353
1,847	-	-	316,852	-	-	-	321,052
6,346	2,671	12,127	340,285	715,619	342,644	500	3,187,852
-	-	53,914	15,321	8,335	39	-	113,654
-	-	-	178,444	-	-	-	232,437
-	8,931	192,448	4,807	813,834	326,660	-	2,038,005
-	-	-	-	-	-	-	18,231
367	2,374	-	72,008	17,506	6,427	-	321,129
-	-	-	12,622	-	-	-	12,622
-	-	-	45,197	-	-	-	45,457
-	-	-	76	1,557	370	-	23,453
367	11,305	246,362	328,475	841,232	333,496	-	2,804,988
-	-	-	934	16,757	5,269	-	254,935
367	11,305	246,362	329,409	857,989	338,765	-	3,059,923
-	-	-	-	-	-	-	2,353
5,979	(8,634)	(234,235)	10,876	(142,370)	3,879	500	125,576
\$ 5,979	\$ (8,634)	\$ (234,235)	\$ 10,876	\$ (142,370)	\$ 3,879	\$ 500	\$ 127,929

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**  
(A Component Unit of the County of Santa Clara)  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Nonmajor Enterprise Funds**  
For the Year Ended June 30, 2005

	Management Services	Section 8 Moderate Rehabilitation	Shelter Plus Care	Section 8 New Construction	Section 8 SACSC/ Huff
<b>Operating revenues:</b>					
Rental income	\$ 50,436	\$ -	\$ -	\$ -	\$ -
Service fees	4,943,504	-	-	-	-
Housing assistance payments earned	-	1,876,995	2,473,113	869,735	320,633
HUD administrative fees	-	170,492	-	55,391	41,434
Donation and other	6,338	-	-	-	-
Total operating revenues	<u>5,000,278</u>	<u>2,047,487</u>	<u>2,473,113</u>	<u>925,126</u>	<u>362,067</u>
<b>Operating expenses:</b>					
Administrative	2,047,015	46,834	131,424	5,762	11,709
Tenant services	41,219	-	-	-	-
Utilities	5,610	-	-	-	-
Maintenance and operations	1,346,809	-	-	-	-
Maintenance contracts	157,419	431	431	-	-
General	1,807,458	48,638	66,860	1,807	205
Depreciation and amortization	7,369	-	-	-	-
Housing assistance payments	-	1,876,995	2,291,672	865,383	320,633
Total operating expenses	<u>5,412,899</u>	<u>1,972,898</u>	<u>2,490,387</u>	<u>872,952</u>	<u>332,547</u>
Operating income (loss)	<u>(412,621)</u>	<u>74,589</u>	<u>(17,274)</u>	<u>52,174</u>	<u>29,520</u>
<b>Nonoperating revenues (expenses):</b>					
Intergovernmental	77,803	-	213,322	-	-
Investment income	13,974	5,531	342	3,044	-
Total nonoperating revenues (expenses)	<u>91,777</u>	<u>5,531</u>	<u>213,664</u>	<u>3,044</u>	<u>-</u>
Income (loss) before transfers	<u>(320,844)</u>	<u>80,120</u>	<u>196,390</u>	<u>55,218</u>	<u>29,520</u>
Transfers in	537	-	-	-	-
Transfers out	(3,578)	-	-	-	-
Change in net assets	<u>(323,885)</u>	<u>80,120</u>	<u>196,390</u>	<u>55,218</u>	<u>29,520</u>
Net assets (deficits), beginning of year	<u>(486,146)</u>	<u>464,530</u>	<u>182,745</u>	<u>231,537</u>	<u>61,905</u>
Net assets (deficits), end of year	<u>\$ (810,031)</u>	<u>\$ 544,650</u>	<u>\$ 379,135</u>	<u>\$ 286,755</u>	<u>\$ 91,425</u>

CHAM	Winter Shelter	Rincon Meals	Migrant Services	Development Services	Welfare to Work	Rental Assistance Program	Total
\$ -	\$ 31,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 81,692
-	748	297,131	3,152	391,877	-	-	5,636,412
-	-	-	-	-	-	-	5,540,476
-	-	-	-	-	-	-	267,317
-	-	-	-	21,123	-	500	27,961
-	32,004	297,131	3,152	413,000	-	500	11,553,858
-	13,938	288,370	82,689	518,852	202,442	-	3,349,035
-	198,735	-	-	-	-	-	239,954
-	19,932	14,702	80,395	-	1,476	-	122,115
-	12,135	-	84,324	-	13	-	1,443,281
-	23,298	-	78,117	2,834	431	-	262,961
-	46,865	-	39,684	347,266	91,709	-	2,450,492
-	-	-	-	-	-	-	7,369
-	-	-	-	-	-	-	5,354,683
-	314,903	303,072	365,209	868,952	296,071	-	13,229,890
-	(282,899)	(5,941)	(362,057)	(455,952)	(296,071)	500	(1,676,032)
-	262,000	37,235	365,139	-	295,671	-	1,251,170
-	-	-	-	31,128	-	-	54,019
-	262,000	37,235	365,139	31,128	295,671	-	1,305,189
-	(20,899)	31,294	3,082	(424,824)	(400)	500	(370,843)
-	-	-	-	-	-	125,789	126,326
-	-	-	-	-	-	-	(3,578)
-	(20,899)	31,294	3,082	(424,824)	(400)	126,289	(248,095)
5,979	12,265	(265,529)	7,794	282,454	4,279	(125,789)	376,024
\$ 5,979	\$ (8,634)	\$ (234,235)	\$ 10,876	\$ (142,370)	\$ 3,879	\$ 500	\$ 127,929

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

**Combining Statement of Cash Flows**

Nonmajor Enterprise Funds

For the Year Ended June 30, 2005

	Management Services	Section 8 Moderate Rehabilitation	Shelter Plus Care	Section 8 New Construction	Section 8 SACSC/ Huff
<b>Cash flows from operating activities:</b>					
Receipts from tenants	\$ 50,436	\$ -	\$ -	\$ -	\$ -
Receipts from customers and others	4,698,025	-	-	-	-
Receipts from housing assistance programs and HUD administrative services	-	2,144,773	2,236,965	925,126	340,224
Payments to suppliers for goods and services	(3,359,894)	(50,445)	(72,872)	(2,945)	(2,307)
Housing assistance payments on behalf of tenants	-	(1,855,964)	(2,291,672)	(853,180)	(320,633)
Payments to employees for services	(1,766,751)	(33,792)	(119,537)	(4,740)	(9,530)
Net cash (used in) provided by operating activities	<u>(378,184)</u>	<u>204,572</u>	<u>(247,116)</u>	<u>64,261</u>	<u>7,754</u>
<b>Cash flows from noncapital financing activities:</b>					
Transfers received	-	-	-	-	-
Intergovernmental revenue	77,803	-	213,322	-	-
Disbursement of loans to other funds	-	(6,708)	-	(3,591)	-
Repayment of loans from other funds	262,268	-	4,670	-	(1,734)
Disbursement of loans to related parties	(63,677)	-	-	-	-
Repayment of loans from related parties	18,231	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>294,625</u>	<u>(6,708)</u>	<u>217,992</u>	<u>(3,591)</u>	<u>(1,734)</u>
<b>Cash flows from investing activities:</b>					
Interest received	13,974	4,186	342	1,699	-
Net cash provided by investing activities	<u>13,974</u>	<u>4,186</u>	<u>342</u>	<u>1,699</u>	<u>-</u>
Net change in cash and cash equivalents	(69,585)	202,050	(28,782)	62,369	6,020
Cash and cash equivalents, beginning of year	98,803	341,318	30,485	257,077	61,015
Cash and cash equivalents, end of year	<u>\$ 29,218</u>	<u>\$ 543,368</u>	<u>\$ 1,703</u>	<u>\$ 319,446</u>	<u>\$ 67,035</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>					
Operating (loss) income	\$ (412,621)	\$ 74,589	\$ (17,274)	\$ 52,174	\$ 29,520
Adjustment to reconcile operating (loss) income to net cash (used in) provided by operating activities:					
Depreciation	7,369	-	-	-	-
Decrease (increase) in:					
Receivables	(246,817)	97,286	(236,148)	-	(21,843)
Prepaid expenses	-	-	-	-	-
Increase (decrease) in:					
Accounts payable	20,918	681	(3,337)	(7)	(9)
Intergovernmental payable	-	21,031	-	12,203	-
Tenant security deposits and FSS escrow	-	-	-	-	-
Deferred revenue	(5,000)	-	-	-	-
Accrued vacation and sick leave	55,802	(446)	994	(290)	65
Other liabilities	202,165	11,431	8,649	181	21
Net cash (used in) provided by operating activities	<u>\$ (378,184)</u>	<u>\$ 204,572</u>	<u>\$ (247,116)</u>	<u>\$ 64,261</u>	<u>\$ 7,754</u>
<b>Supplemental disclosures of cash flow information:</b>					
<b>Noncash capital and related financing activities</b>					
Long-term debt transferred to related parties	\$ -	\$ -	\$ -	\$ -	\$ -
Related party receivable transferred to third party	-	-	-	-	-

CHAM	Winter Shelter	Rincon Meals	Migrant Services	Development Services	Welfare to Work	Rental Assistance Program	Total
\$ 45,681	\$ 59,688	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 155,805
-	748	285,629	6,585	413,000	-	500	5,404,487
-	-	-	-	-	-	-	5,647,088
(55,727)	(306,648)	(277,624)	(279,831)	(470,398)	(101,541)	(100)	(4,980,332)
-	-	-	-	-	-	-	(5,321,449)
-	(11,022)	-	(39,002)	(386,245)	(184,166)	(2,154)	(2,556,939)
(10,046)	(257,234)	8,005	(312,248)	(443,643)	(285,707)	(1,754)	(1,651,340)
-	-	-	-	-	-	125,789	125,789
-	262,000	37,235	362,800	-	179,464	-	1,132,624
(20,276)	(7,284)	(45,240)	-	(1,213)	(75,145)	(253,288)	(412,745)
13,963	2,852	-	15,314	441,472	158,652	125,105	1,022,562
-	-	-	-	-	-	-	(63,677)
-	-	-	-	(51,862)	20,000	-	(13,631)
(6,313)	257,568	(8,005)	378,114	388,397	282,971	(2,394)	1,790,922
-	-	-	-	31,128	-	-	51,329
-	-	-	-	31,128	-	-	51,329
(16,359)	334	-	65,866	(24,118)	(2,736)	(4,148)	190,911
22,258	2,337	-	251,086	60,971	5,245	4,648	1,135,243
\$ 5,899	\$ 2,671	\$ -	\$ 316,952	\$ 36,853	\$ 2,509	\$ 500	\$ 1,326,154
\$ -	\$ (282,899)	\$ (5,941)	\$ (362,057)	\$ (455,952)	\$ (296,071)	\$ 500	\$ (1,676,032)
-	-	-	-	-	-	-	7,369
(447)	28,885	(11,502)	(8,885)	-	-	-	(399,471)
-	-	-	-	-	5,614	-	5,614
(5,652)	(6)	25,448	1,301	327	(491)	(100)	39,073
-	-	-	31,155	-	-	-	64,389
-	(453)	-	-	-	-	-	(453)
-	-	-	12,318	-	-	-	7,318
-	-	-	135	(5,524)	(1,186)	(2,154)	47,396
(3,947)	(2,761)	-	13,785	17,506	6,427	-	253,457
(10,046)	(257,234)	8,005	(312,248)	(443,643)	(285,707)	(1,754)	(1,651,340)
\$ -	\$ -	\$ -	\$ -	\$ 1,270,574	\$ -	\$ -	\$ 1,270,574
-	-	-	-	(1,270,574)	-	-	(1,270,574)

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Combining Statement of Net Assets

Internal Service Funds

June 30, 2005

	Housing Authority Reserve and Activities Fund	Administrative Services	Internal Services Fund
<b>Assets:</b>			
<b>Current Assets:</b>			
Cash, cash equivalents and investments	\$ 1,546,043	\$ 212,089	\$ 1,758,132
Accounts receivable, net:			
Others	17,920	37	17,957
Interest receivable	6,728	-	6,728
Due from other funds	15,356	915,388	930,744
Due from related parties and component units	368,540	48,936	417,476
Prepaid expenses	-	360,231	360,231
<b>Total current assets</b>	<b>1,954,587</b>	<b>1,536,681</b>	<b>3,491,268</b>
<b>Noncurrent assets:</b>			
Restricted cash and investments	261,300	-	261,300
Other assets	191,234	-	191,234
Capital assets:			
Nondepreciable	1,825,736	-	1,825,736
Depreciable	4,626,661	85,132	4,711,793
<b>Total capital assets</b>	<b>6,452,397</b>	<b>85,132</b>	<b>6,537,529</b>
<b>Total noncurrent assets</b>	<b>6,904,931</b>	<b>85,132</b>	<b>6,990,063</b>
<b>Total assets</b>	<b>8,859,518</b>	<b>1,621,813</b>	<b>10,481,331</b>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Bank overdraft	-	463,203	463,203
Accounts payable	-	133,531	133,531
Due to other funds	181	55,073	55,254
Other accrued liabilities	160,000	391,159	551,159
Deferred revenue	13,442	-	13,442
Current portion of accrued vacation and sick leave	-	8,698	8,698
Current portion of long-term debt	65,000	-	65,000
<b>Total current liabilities</b>	<b>238,623</b>	<b>1,051,664</b>	<b>1,290,287</b>
Accrued vacation and sick leave, net of current portion	-	95,975	95,975
Advance from other funds	-	500,000	500,000
Deferred credit	1,662,099	-	1,662,099
Long-term debt, net of current portion	3,485,000	-	3,485,000
<b>Total liabilities</b>	<b>5,385,722</b>	<b>1,647,639</b>	<b>7,033,361</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	2,902,397	85,132	2,987,529
Restricted	261,300	-	261,300
Unrestricted	310,099	(110,958)	199,141
<b>Total net assets (deficit)</b>	<b>\$ 3,473,796</b>	<b>\$ (25,826)</b>	<b>\$ 3,447,970</b>

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**  
(A Component Unit of the County of Santa Clara)  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
For the Year Ended June 30, 2005

	Housing Authority Reserve and Activities Fund	Administrative Services	Internal Services Fund
<b>Operating revenues:</b>			
Rental income	\$ 397,865	\$ -	\$ 397,865
Service fees	42,941	3,201,671	3,244,612
HUD administrative fees	4,605	-	4,605
Donation and other	456	42	498
	<u>445,867</u>	<u>3,201,713</u>	<u>3,647,580</u>
<b>Operating expenses:</b>			
Administrative	58,644	2,450,624	2,509,268
Utilities	-	153,704	153,704
Maintenance and operations	-	87,852	87,852
Maintenance contracts	-	96,526	96,526
General	29,399	433,906	463,305
Depreciation	173,346	27,268	200,614
	<u>261,389</u>	<u>3,249,880</u>	<u>3,511,269</u>
Total operating expenses			
Operating income (loss)	<u>184,478</u>	<u>(48,167)</u>	<u>136,311</u>
<b>Nonoperating revenue (expense):</b>			
Intergovernmental	31,123	-	31,123
Gain on disposal of capital assets	7,370	-	7,370
Land lease income	23,014	-	23,014
Investment income	46,925	1,918	48,843
Interest expense	(210,550)	-	(210,550)
	<u>(102,118)</u>	<u>1,918</u>	<u>(100,200)</u>
Total nonoperating revenue (expense)			
Income (loss) before transfers	<u>82,360</u>	<u>(46,249)</u>	<u>36,111</u>
Transfers in	155,981	3,578	159,559
Transfers out	-	(537)	(537)
	<u>238,341</u>	<u>(43,208)</u>	<u>195,133</u>
Change in net assets			
Net assets, beginning of year	<u>3,235,455</u>	<u>17,382</u>	<u>3,252,837</u>
Net assets (deficit), end of year	<u>\$ 3,473,796</u>	<u>\$ (25,826)</u>	<u>\$ 3,447,970</u>

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**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended June 30, 2005

	Housing Authority Reserve and Activities Fund	Administrative Services	Internal Services Fund
<b>Cash flows from operating activities:</b>			
Receipts from tenants	\$ 397,865	\$ -	\$ 397,865
Receipts from customers and others	200,089	3,201,713	3,401,802
Receipts from housing assistance programs	4,605	-	4,605
Payments to suppliers for goods and services	(56,999)	(2,320,456)	(2,377,455)
Payments to employees for services	(29,284)	(1,230,247)	(1,259,531)
Net cash provided by operating activities	<u>516,276</u>	<u>(348,990)</u>	<u>167,286</u>
<b>Cash flows from noncapital financing activities:</b>			
Intergovernmental receipts	31,123	-	31,123
Receipt of/collection on loans from other funds	136,564	848,817	985,381
Disbursement/repayment of loans to other funds	(317,666)	(497,642)	(815,308)
Receipt of/collection on loans to related parties	-	5,160	5,160
Disbursement/repayment of loans to related parties	(123,880)	(28,153)	(152,033)
Net cash used in noncapital financing activities	<u>(273,859)</u>	<u>328,182</u>	<u>54,323</u>
<b>Cash flows from capital and related financing activities:</b>			
Proceeds from sale of capital assets	7,370	-	7,370
Net proceeds from refunding	115,000	-	115,000
Bonds cost of issuance paid	(197,724)	-	(197,724)
Repayments of long-term liabilities	(175,000)	-	(175,000)
Interest paid	(201,770)	-	(201,770)
Net cash used in capital and related financing activities	<u>(452,124)</u>	<u>-</u>	<u>(452,124)</u>
<b>Cash flows from investing activities:</b>			
Interest received	43,511	1,918	45,429
Sales of investments	127,458	-	127,458
Net cash provided by investing activities	<u>170,969</u>	<u>1,918</u>	<u>172,887</u>
Net change in cash and cash equivalents	(38,738)	(18,890)	(57,628)
Cash and cash equivalents, beginning of year	1,584,781	230,979	1,815,760
Cash and cash equivalents, end of year	<u>\$ 1,546,043</u>	<u>\$ 212,089</u>	<u>\$ 1,758,132</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss)	\$ 184,478	\$ (48,167)	\$ 136,311
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	173,346	27,268	200,614
Decrease (increase) in:			
Receivables	12,373	-	12,373
Prepaid expenses	-	10,011	10,011
Other assets	-	(37)	(37)
Increase (decrease) in:			
Accounts payable	1,760	(125,774)	(124,014)
Deferred revenue	(15,681)	-	(15,681)
Accrued vacation and sick leave	-	9,699	9,699
Other liabilities	160,000	(221,990)	(61,990)
Net cash provided by operating activities	<u>\$ 516,276</u>	<u>\$ (348,990)</u>	<u>\$ 167,286</u>
<b>Supplemental disclosures of cash flow information:</b>			
<b>Noncash noncapital financing activities</b>			
Land Lease transferred to HARA	\$ 1,825,736	\$ -	\$ 1,825,736
Related deferred credit transferred to HARA	(1,825,736)	-	(1,825,736)
<b>Noncash capital and related financing activities</b>			
Capital assets received from other funds	\$ -	\$ 3,041	\$ 3,041
Payment to refunded bond escrow agent from bond proceeds	(3,474,043)	-	(3,474,043)

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**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

(A Component Unit of the County of Santa Clara)

Schedule of Expenditures of Federal and State Awards

For the Year Ended June 30, 2005

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
<b>U.S. Department of Agriculture:</b>		
Pass-through Council on Aging of Santa Clara County, Inc., Nutrition Services Incentive (Rincon Meals)	10.570	\$ 37,235
<b>U.S. Department of Housing and Urban Development:</b>		
Supportive Housing for Persons with Disabilities (Section 811) - Winter Shelter	14.181	262,000
Community Development Block Grants/Entitlement Grants	14.218	31,123
Shelter Plus Care	14.238	2,686,435
Public and Indian Housing	14.850	1,280,225
Section 8 Project Based Cluster		
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	1,309,687
Section 8 New Construction and Substantial Rehabilitation - New Construction	14.182	925,126
Section 8 New Construction and Substantial Rehabilitation - Huff Gardens	14.182	362,067
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	737,800
Subtotal Section 8 Project Based Cluster		3,334,680
Section 8 Housing Choice Vouchers	14.871	227,276,860
Public Housing Capital Fund	14.872	1,293,275
Total U.S. Department of Housing and Urban Development		236,164,598
<b>U.S. Department of Labor:</b>		
Pass-through Employment Training and Administration - Welfare-to-Work Grants to States and Localities Welfare-to-Work (WtW) Grants	17.253	295,671
Total Expenditures of Federal Awards		\$ 236,497,504
<b>State of California</b>		
Pass-through Department of Housing and Community Development (HCD) - Division of Community Affairs - Office of Migrant Services Migrant - Labor Housing (Operation)	n/a	\$ 365,209

See accompanying notes to the schedule of expenditures of federal and state awards.

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**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**  
(A Component Unit of the County of Santa Clara)  
Notes to the Schedule of Expenditures of Federal and State Awards  
For the Year Ended June 30, 2005

**NOTE 1 - GENERAL**

The Schedule of Expenditures of Federal and State Awards (the Schedule) presents the activity of all federal and state award programs of the Housing Authority of the County of Santa Clara (the Authority), a component unit of the County of Santa Clara. The Authority's reporting entity is defined in Note 1 of the Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included on the Schedule.

**NOTE 2 - BASIS OF ACCOUNTING**

The Schedule is presented using the accrual basis of accounting.

**NOTE 3 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS**

Amounts reported in the Schedule agree to or can be reconciled with the amounts reported in the related federal financial reports.

**NOTE 4 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

Federal and state award revenues and expenditures agree to or can be reconciled with the amounts reported in the Authority's basic financial statements.

**NOTE 5 -DISCRETE COMPONENT UNITS FEDERAL EXPENDITURES**

Villa Garcia, Inc. and Villa San Pedro HDC, Inc.'s federal expenditures are excluded from the schedule because Villa Garcia, Inc. and Villa San Pedro HDC, Inc.'s federal expenditures are separately audited. Expenditures for the programs of Villa Garcia, Inc. and Villa San Pedro HDC, Inc.'s for the year ended December 31, 2004 listed below are taken from the single audit reports audited by other auditors. The federal expenditures of Villa Garcia, Inc. and Villa San Pedro HDC, Inc. are as follows:

<b>Villa Garcia, Inc.</b>		
<u>Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Housing &amp; Urban Development</b>		
Section 236 Interest Reduction Insured Loan	14.103	\$ 590,322
Section 201 Flexible Assistance Subsidy Loan	14.164	1,551,840
Section 8 Housing Assistance Payments (HAP) Program	14.182	216,162
Section 236 Interest Reduction Subsidy	14.103	75,046
Total Federal Expenditures		<u>\$ 2,433,370</u>
<b>Villa San Pedro HDC, Inc.</b>		
<u>Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Housing &amp; Urban Development</b>		
Section 221 (d)(3) Insured Loan	14.135	\$ 416,051
Section 201 Flexible Assistance Subsidy Loan	14.164	799,933
Section 8 Housing Assistance Payments (HAP) Program	14.182	400,199
Total Federal Expenditures		<u>\$ 1,616,183</u>

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**  
 (A Component Unit of the County of Santa Clara)  
 Notes to the Schedule of Expenditures of Federal and State Awards  
 For the Year Ended June 30, 2005

**NOTE 6 - AMOUNTS PROVIDED TO SUBRECIPIENTS**

Included in the total expenditures of federal awards are the following amounts passed through to subrecipients:

<u>Program Title</u>	<u>Federal Catalog Number</u>	<u>Amount Provided to Subrecipients</u>
Section 8 New Construction and Substantial Rehabilitation - New Construction	14.182	\$ 865,383
Section 8 New Construction and Substantial Rehabilitation - Huff Gardens	14.182	<u>320,633</u>
		<u>\$ 1,186,016</u>



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Members of the Board of Commissioners of the  
Housing Authority of the County of Santa Clara  
San Jose, California

### **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Housing Authority of the County of Santa Clara (the Authority), a component unit of the County of Santa Clara, California, as of and for the year ended June 30, 2005, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 18, 2005. We did not audit the financial statements of Bracher HDC, Inc.; Villa Garcia, Inc.; Villa San Pedro HDC, Inc.; and Property Management, Inc., which represents 84 percent and 93 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### *Internal Control Over Financial Reporting*

In planning and performing our audit, we considered the Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the Authority in a separate letter dated November 18, 2005.

*Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Commissioners of the Housing Authority of the County of Santa Clara, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Macies Simi & Company LLP*  
Certified Public Accountants

Walnut Creek, California  
November 18, 2005



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San Jose, California

### **Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133**

#### *Compliance*

We have audited the compliance of the Housing Authority of the County of Santa Clara (the Authority), a component unit of the County of Santa Clara, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

The Authority's basic financial statements include the operations of Villa Garcia, Inc. and Villa San Pedro, Inc. that expended \$2,433,370 and \$1,616,183 respectively, in federal awards for the year ended December 31, 2004, and which are not included in the schedule of expenditures of federal and state awards for the year ended June 30, 2005. Our audit, described below, did not include the operations of Villa Garcia, Inc. or Villa San Pedro, Inc. because other auditors were engaged to perform the audits of Villa Garcia, Inc. and Villa San Pedro, Inc. in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

*Internal Control Over Compliance*

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Commissioners of the Housing Authority of the County of Santa Clara, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Macias Dini & Company LLP*  
Certified Public Accountants

Walnut Creek, California  
November 18, 2005

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**  
 (A Component Unit of the County of Santa Clara)  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2005

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<b>Section I</b>	<b>Summary of Auditor's Results</b>
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**Financial Statements**

Type of auditor's report issued on the basic financial statements of the Authority:	We issued an unqualified opinion
Internal control over financial reporting:	
◆ Material weakness(es) identified?	No
◆ Reportable condition(s) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
◆ Material weakness(es) identified?	No
◆ Reportable condition(s) identified that are not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	We issued an unqualified opinion
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No
Identification of major programs?	
U.S Department of Housing and Urban Development	
<i>Section 8 Housing Choice Vouchers (14.871)</i>	
<i>Section 8 Project - Based Cluster</i>	
Section 8 New Construction and Substantial rehabilitation (14.182)	
Lower Income Housing Assistance Program—Section 8 Moderate Rehabilitation (14.856)	
Section 8 Moderate Rehabilitation Single Room Occupancy (14.249)	
Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000
Auditee qualified as a low-risk auditee?	Yes

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**  
(A Component Unit of the County of Santa Clara)  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2005

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**Section II**  
**Financial Statement Findings**

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None

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**Section III**  
**Federal Award Findings and Questioned Costs**

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None

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**  
(A Component Unit of the County of Santa Clara)  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2005

Findings were not noted in the prior year.

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## **STATEMENT OF PROCUREMENT POLICY**

Established for the Housing Authority of the City of San Jose by Board action on November 19, 1996. This Statement of Procurement Policy complies with Housing and Urban Development Annual Contributions Contract (ACC), HUD Handbook 7460.8, "Procurement Handbook for Public Housing Agencies," and the procurement standards of 24 CFR 85.36.

### **I. GENERAL PROVISIONS**

#### **A. PURPOSE**

The purpose of this Statement of Procurement Policy is to provide for the fair and equitable treatment of all persons or firms involved in purchasing by the HACSC; assure that supplies, services, and construction are procured efficiently, effectively, and at the most favorable prices available to the HACSC; promote competition in contracting; provide safeguards for maintaining a procurement system of quality and integrity; and assure that HACSC purchasing actions are in full compliance with applicable Federal standards, HUD regulations, and State and local laws.

#### **B. APPLICATION**

This Statement of Procurement Policy applies to all contracts for the procurement of supplies, services, and construction entered into by the HACSC after the effective date of this Statement. It shall apply to every expenditure of funds by the HACSC for public purchasing, irrespective of the source of funds, including contracts which do not involve an obligation of funds (such as concession contracts); however, nothing in this statement shall prevent the HACSC from complying with the terms and conditions of any grant, contract, gift or bequest that is otherwise consistent with law. The term "procurement," as used in this Statement, includes both contracts and modifications (including change orders) for construction or services, as well as purchase, lease, or rental of supplies and equipment.

#### **C. PUBLIC ACCESS TO PROCUREMENT INFORMATION**

Procurement information shall be a matter of public record to the extent provided by law.

## II. PROCUREMENT AUTHORITY AND ADMINISTRATION

- A. All procurement transactions shall be administered by the Contracting Officer, who shall be the Executive Director or another individual he or she has authorized in writing. The Executive Director shall issue operational procedures to implement this Policy.
1. The Executive Director or his/her designee shall ensure that:
    - a) procurement requirements are subject to an annual planning process to assure efficient and economical purchasing;
    - b) contracts and modifications are in writing, clearly specifying the desired supplies, services, or construction, and are supported by sufficient documentation regarding the history of the procurement, including as a minimum the method of procurement chosen, the selection of the contract type, the rationale for selecting or rejecting offers, and the basis for the contract price;
    - c) for procurements other than small purchases, public notice is given of each upcoming procurement at least 10 calendar days before a solicitation is issued; responses to such notice are honored to the maximum extent practical; a minimum of 15 calendar days is provided for preparation and submission of bids or proposals; and notice of contract, awards is made available to the public;
    - d) an independent cost estimate is prepared before solicitation issuance and is appropriately safeguarded for each procurement above the small purchase limitation, and a cost or price analysis is conducted of the responses received for all procurements;
    - e) contract award is made to the responsive and responsible bidder offering the lowest price (for sealed bid contracts) or contract award is made to the offeror whose proposal offers the greatest value to the HACSC, considering price, technical and other factors as specified in the solicitation (for contracts awarded based on competitive proposals); unsuccessful firms are notified within ten days after contract award;
    - f) there are sufficient unencumbered funds available to cover the anticipated cost of each procurement before contract award or modification (including change orders), work is inspected before

payment, and payment is made promptly for contract work performed and accepted; and

g) the HACSC complies with applicable HOD review requirements.

B. Changes to this policy shall be submitted to the Board of Commissioners for approval.

### III. PROCUREMENT METHODS

#### A. SELECTION OF METHOD

The HACSC will directly purchase the required items, one of the following procurement methods shall be chosen, based on the nature and anticipated dollar value of the total requirement.

#### B. SMALL PURCHASE PROCEDURES

1. **General** Any contract not exceeding \$100,000 may be made in accordance with the small purchase procedures authorized in this section. Contract requirements shall not be artificially divided so as to constitute a small purchase under this section (except as may be reasonably necessary to comply with Section VIII of this Statement).
2. **For small Purchases over \$25,000 and less than \$100,000**, no less than three offerors shall be solicited to submit price quotations, which may be obtained orally, by telephone. or in writing, allowed by State or local laws. Award shall be made to the offeror providing the lowest acceptable quotation, unless justified in writing based on price and other specified factors, such as for architect-engineer contracts. If non-price factors are used, they shall be disclosed to all those solicited. The names addresses and/or telephone numbers of the offerors and persons contacted, and the date and amount of each quotation shall be recorded and maintained as a public record.
3. **For small purchases below \$25,000**, only one quotation need be solicited if the price received is considered reasonable. Such purchases must be distributed equitably among qualified sources. If practicable, a quotation shall be solicited from other than the previous source before placing a repeat order.
4. **Petty Cash Purchases** Small purchases under Fifty Dollars [\$50.00] which can be satisfied by local sources may be processed through the use of a petty cash account.

C. **SEALED BIDS (NOT APPLICABLE TO PROFESSIONAL SERVICES CONTRACTS)**

1. **Conditions for Use** Contracts shall be awarded based on competitive sealed bidding if the following conditions are present: a complete, adequate, and realistic specification or purchase description is available; two or more responsible bidders are willing and able to compete effectively for the work; the procurement lends itself to a firm fixed price contract; and the selection of the successful bidder can be made principally on the basis of price. Sealed bidding is the preferred method for construction procurement. For procurements under the Comprehensive Grant Program (CGP), sealed bidding shall be used for all construction and equipment contracts exceeding the small purchase limitation.
2. **Solicitation and Receipt of Bids** An invitation for bids shall be issued including specifications and all contractual terms and conditions applicable to the procurement, including a statement that award will be made to the lowest responsible and responsive bidder whose bid meets the requirements of the invitation for bids. The invitation for bids shall state the time and place for both the receipt of bids and the public bid opening. All bids received shall be time-stamped but not opened and shall be stored in a secure place until bid opening. A bidder may withdraw its bid at any time prior to bid opening.
3. **Bid Opening and Award** Bids shall be opened publicly and in the presence of at least one witness. An abstract of bids shall be recorded and the bids shall be available for public inspection. Award shall be made as provided in the invitation for bids by written notice to the successful bidder. If equal low bids are received from responsible bidders, award shall be made by drawing lots or similar random method, unless otherwise stated in the invitation for bids. If only one responsive bid is received from a responsible bidder, award shall not be made unless a cost or price analysis verifies the reasonableness of the price.
4. **Mistakes in Bids**
  - a) Correction or withdrawal of inadvertently erroneous bids may be permitted, where appropriate, before bid opening by written or telegraphic notice received in the office designated in the invitation for bids prior to the time set for bid opening. After bid opening, corrections in bids shall be permitted only if the bidder can show by clear and convincing evidence that a mistake of a nonjudgmental character was made, the

nature of the mistake, and the bid price actually intended. A low bidder alleging a nonjudgmental mistake may be permitted to withdraw its bid, if the mistake is clearly evident on the face of the bid document but the intended bid is unclear or the bidder submits convincing evidence that a mistake was made.

- b) All decisions to allow correction or withdrawal of bid mistakes shall be supported by a written determination signed by the Contracting Officer. After bid opening, no changes in bid prices or provisions prejudicial to the interest of the HACSC or fair competition shall be permitted.

5. **Bonds** In addition to the other requirements of this Policy, the following will apply:

- a) For construction contracts exceeding \$25,000, other than those specified in 5 (b ) below, contractors shall be required to submit the following, unless otherwise required by State or local laws or regulations:

- 1) a bid guarantee from each bidder equivalent to 5% of the bid price; and
- 2) a performance bond for 100% of the contract price; and
- 3) a payment bond for 100% of the contract price.

- b) In the case of construction of conventional development projects funded pursuant to the U .S. Housing Act of 1937. the contractor shall be required to submit the following, unless otherwise required by State or local laws or regulations:

- 1) bid guarantee from each bidder equivalent to 5% of the bid price; and
- 2) one of the following:
  - i. a performance and payment bond for 100% of the contract price; or
  - ii. a 20% cash escrow; or
  - iii. a 25% irrevocable letter of credit.

**D. COMPETITIVE PROPOSALS**

- 1. **Conditions for Use** Competitive proposals (including turnkey proposals for development) may be used if there is an adequate method of evaluating technical proposals and

where the HACSC determines that conditions are not appropriate for the use of sealed bids. An adequate number of qualified sources shall be solicited.

2. **Solicitation** The request for proposals (RFP) shall clearly identify the relative importance of price and other evaluation factors and subfactors, including the weight given to each technical factor and subfactor.
3. **Negotiations** Unless there is no need for negotiations with any of the offerors, negotiations shall be conducted with offerors who submit proposals determined to have a reasonable chance of being selected for award, based on evaluation against the technical and price factors as specified in the RFP. Such offerors shall be accorded fair and equal treatment with respect to any opportunity for negotiation and revision of proposals. The purpose of negotiations shall be to seek clarification with regard to and advise offerors of the deficiencies in both the technical and price aspects of their proposals so as to assure full understanding of and conformance to the solicitation requirements. **No offeror shall be provided information about any other offeror's proposal, and no offeror shall be assisted in bringing its proposal up to the level of any other proposal.** Offerors shall not be directed to reduce their proposed prices to a specific amount in order to be considered for award. A common deadline shall be established for receipt of proposal revisions based on negotiations.
4. **Award.** After evaluation of proposal revisions, if any, the contract shall be awarded to the responsible firm whose qualifications, price and other factors considered, are the most advantageous to the HACSC.
5. **Architect/Engineer Services** Architect/engineer services in the excess of the small purchase limitation may be obtained by either the competitive proposals method or qualifications-based selection procedures. Sealed bidding shall not be used to obtain architect/engineer services. Under qualifications-based selection procedures, competitors' qualifications are evaluated and the most qualified competitor is selected, subject to the negotiation of fair and reasonable compensation. Price is not used as a selection factor under this method. Qualifications-based selection procedures shall not be used to purchase other

types of services even though architect/engineer firms are potential sources.

## **E. NONCOMPETITIVE PROPOSALS**

**1. Conditions for use** Procurements shall be conducted competitively to the maximum extent possible. Procurement by noncompetitive proposals may be used only when the award of a contract is not feasible using small purchase procedures, sealed bids, or competitive proposals, and one of the following applies:

- a) The item is available only from a single source, based on a, good faith review of available sources;
- b) An emergency exists that seriously threatens the public health, welfare, or safety, or endangers property, or would otherwise cause serious injury to the HACSC, as may arise by reason of a flood, earthquake, epidemic, riot, equipment failure, or similar event In such cases, there must be an immediate and serious need for supplies, services, or construction such that the need cannot be met through any other procurement methods, and the emergency procurement shall be limited to those supplies, services, or construction necessary to meet the emergency;
- c) HUD authorizes the use of noncompetitive proposals; or
- d) After solicitation of a number of sources, competition is determined inadequate.

1. **Justification.** Each procurement based on noncompetitive proposals shall be supported by a written justification for using such procedures. The justification shall be approved in writing by the Contracting Officer.

3. **Price reasonableness** The reasonableness of the price for all procurements based on noncompetitive proposals shall be determined by performing a cost analysis, as described in paragraph **III F.**

## F. COST AND PRICE ANALYSIS

1. **General** A cost or price analysis shall be performed for all procurement actions, including contract modifications. The method of analysis shall be determined as follows. The degree of analysis shall depend on the facts surrounding each procurement.
2. **Submission of Cost or Pricing Information** If the procurement is based on noncompetitive proposals, or when only one offer is received, or for other procurements as deemed necessary by the HACSC (e.g. when contracting for professional, consulting. Or architect/engineer services) the offeror shall be required to submit:
  - a) a cost breakdown showing projected costs and profit;
  - b) commercial pricing and sales information, sufficient to enable the HACSC to verify the reasonableness of the proposed price as a catalog or market price of a commercial product sold in substantial quantities to the general public; or
  - c) documentation showing that the offered price is set by law or regulation.
3. **Cost Analysis** Cost analysis shall be performed if an offeror/contractor is required to submit a cost breakdown as part of its proposal. When a cost breakdown is submitted: cost analysis, shall be performed of the individual cost elements; the HACSC shall have a right to audit the contractor's books and records pertinent to such costs and profit shall be analyzed separately. Costs shall be allowable only to the extent that they are consistent with applicable Federal cost principles (for commercial firms, Subpart 31.2 of the Federal Acquisition Regulation, 48 CFR Chapter 1). In establishing profit, the HACSC shall consider factors such as the complexity and risk of the work involved, the contractor's investment and productivity, the amount of subcontracting, the quality of past performance, and industry profit rates in the area for similar work.
4. A comparison of prices shall be used in all cases other than described in **III F.**

## G. CANCELLATION OF SOLICITATIONS

1. An invitation for bids, request for proposals, or other solicitation may be canceled before offers are due if: the HACSC no longer requires the supplies, services or construction; the HACSC can no longer reasonably expect to fund the procurement; proposed amendments to the solicitation would be of such magnitude that a new solicitation would be desirable; or similar reasons.
  - 1.2 solicitation may be canceled and all bids or proposals that have already been received may be rejected if: the supplies, services, or construction are no longer required; ambiguous or otherwise inadequate specifications were part of the solicitation; the solicitation did not provide for consideration of all factors of significance to the HACSC; prices exceed available funds and it would not be appropriate to adjust quantities to come within available funds; there is reason to believe that bids or proposals may not have been independently arrived at in open competition, may have been collusive, or may have been submitted in bad faith; or for good cause of a similar nature when it is in the best interest of the HACSC.
3. The reasons for cancellation shall be documented in the procurement file and the reasons for cancellation and/or rejection shall be provided upon request to any offeror solicited.
4. A notice of cancellation shall be sent to all offerors solicited and, if appropriate, shall explain that they will be given an opportunity to compete on any re-solicitation or future procurement of similar items.
5. If all otherwise acceptable bids received in response to an invitation for bids are at unreasonable prices. or only one bid is received and the price is unreasonable the HACSC shall cancel the solicitation and either:
  - a) re-solicit using a request for proposals; or
  - b) complete the procurement by using the competitive proposals method, following paragraphs **III (D) (3)** and

**III (D) (4)** above (when more than one otherwise acceptable bid has been received), or by using the non-competitive proposals method and following paragraph **III (E) (2)** when only one bid is received at an unreasonable price provided, that the Contracting Officer determines in writing that such action is appropriate, all bidders are informed of the HACSC's intent to negotiate and each responsible bidder is given a reasonable opportunity to negotiate.

## **H. COOPERATIVE PURCHASING**

The HACSC may enter into State and local intergovernmental agreements to purchase or use common goods and services. The decision to use an intergovernmental agreement or conduct a direct procurement shall be based on economy and efficiency. If used, the intergovernmental agreement shall stipulate who is authorized to purchase on behalf of the participating parties and shall specify inspection, acceptance, termination, payment, and other relevant terms and conditions. The HACSC is encouraged to use Federal or State excess and surplus property instead of purchasing new equipment and property whenever such use is feasible and reduces project costs.

## **IV. CONTRACTOR QUALIFICATIONS AND DUTIES**

### **A. CONTRACTOR RESPONSIBILITY**

Procurements shall be conducted only with responsible contractors, i.e., those who have the technical and financial competence to perform and who have a satisfactory record of integrity. Before awarding a contract, the HACSC shall review the proposed contractor's ability to perform the contract successfully, considering factors such as the contractor's integrity, compliance with public policy, record of past performance and financial and technical resources. If a prospective contractor is found to be non-responsible, a written determination of non-responsibility shall be prepared and included in the contract file, and the prospective contractor shall be advised of the reasons for the determination.

### **B. SUSPENSION AND DEBARMENT**

Contracts shall not be awarded to debarred, suspended, or ineligible contractors. Contractors may be suspended, debarred, or determined ineligible by HUD in accordance with HUD regulations

(24 CFR Part 24) when necessary to protect the HACSC in its business dealings. ("List of Parties Excluded from Federal Procurement and Nonprocurement Programs" is published by the U. S. General Services Administration).

### **C. QUALIFIED BIDDER'S LISTS**

Interested businesses shall be given an opportunity to be included on qualified bidder's lists. Any pre-qualified lists of persons, firms, or products which are used in the procurement of supplies and services shall be kept current and shall include enough qualified sources to ensure competition. Firms shall not be precluded from qualifying during the solicitation period. Solicitation mailing lists of potential contractors shall include, but not be limited to, such pre-qualified suppliers.

## **V. TYPES OF CONTRACTS, CLAUSES, AND CONTRACT ADMINISTRATION**

### **A. CONTRACT TYPES**

Any type of contract which is appropriate to the procurement and which will promote the best interests of the HACSC may be used, provided that the cost-plus-a-percentage-of-cost and percentage of construction cost methods are prohibited. All procurements shall include the clauses and provisions necessary to define the rights and responsibilities of the parties. A cost reimbursement contract shall not be used unless it is likely to be less costly or it is impracticable to satisfy the HACSC's needs otherwise, and the proposed contractor's accounting system is adequate to allocate costs in accordance with applicable cost principles. A time and material contracts may be used only if a written determination is made that no other contract type is suitable, and the contract includes a ceiling price that the contractor exceeds at its own risk.

### **B. OPTIONS**

Options for additional quantities or performance periods may be included in contracts, provided that:

- (i) the option is contained in the solicitation;
- (ii) the option is a unilateral right of the HACSC;
- (iii) the contract states a limit on the additional quantities and the overall term of the contract;
- (iv) the options are evaluated as part of the initial competition;
- (v) the contract states the period within which the options may be exercised;
- (vi) the options may be exercised only at the price specified in or reasonably determinable from the contract; and
- (vii) the options may be exercised only if determined to be more.

advantageous to the HACSC than conducting a new procurement.

### **C. CONTRACT CLAUSES**

In addition to containing a clause identifying the contract type, all contracts shall include any clauses required by Federal statutes, executive orders, and their implementing regulations, as provided in 24 CFR 85.36(i), such as the following;

1. Termination for convenience
2. Termination for default
3. Equal Employment Opportunity
4. Anti-Kickback Act
5. Davis-Bacon Act
6. Contract Work Hours and Safety Standards Act, reporting requirements,
7. Patent rights
8. Rights in data
9. Examination of records by Comptroller General, retention of records for three years after closeout
10. Clean air and water
11. Energy efficiency standards
12. Bid protests and contract claims
13. Value engineering, and
14. Payment of funds to influence certain Federal transactions

The operational procedures of this policy shall contain the text of all clauses and required certifications (such as required non-collusive affidavits) used by the HACSC.

### **D. CONTRACT ADMINISTRATION**

A contract administration system designed to insure that contractors perform in accordance with their contracts shall be maintained. The operational procedures shall contain guidelines for inspection of supplies, services, or construction, as well as monitoring contractor performance, status reporting on construction contracts, and similar matters. For cost reimbursement contracts with commercial firms, costs are allowable only to the extent that they are consistent with the cost principles in FAR Subpart 31.2.

## **VI. SPECIFICATIONS**

### **A. GENERAL**

All specifications shall be drafted so as to promote overall economy for the purposes intended and to encourage competition in satisfying the HACSC's needs. Specifications shall be reviewed prior to solicitation to ensure that they are not unduly restrictive or represent unnecessary or duplicative items. Functional or performance specifications are preferred. Detailed product specifications shall be avoided whenever possible. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. For equipment purchases, a lease versus purchase analysis should be performed to determine the most economical form of procurement.

### **B. LIMITATIONS**

The following specification limitations shall be avoided: geographic restrictions not mandated or encouraged by applicable Federal law (except for architect-engineer contracts, which may include geographic location as a selection factor if adequate competition is available); unnecessary bonding or experience requirement; brand name specifications (unless a written determination is made that only the identified item will satisfy the HACSC's needs); brand name or equal specifications (unless they list the minimum essential characteristics and standards to which the item must conform to satisfy its intended use). Nothing in this Procurement Policy shall preempt any State licensing laws. Specifications shall be scrutinized to ensure that organizational conflicts of interest do not occur (for example, having a consultant perform a study of the HACSC's computer needs and then allowing that consultant to compete for the subsequent contract for the computers).

## **VII. APPEALS AND REMEDIES**

### **A. GENERAL**

It is the HACSC's policy to resolve all contractual issues informally at the HACSC level, without litigation. Disputes shall not be referred to HUD until all administrative remedies have been exhausted at the HACSC level. When appropriate, the HACSC may consider the use of informal discussions between the parties by individuals who did not participate substantially in the matter in dispute, to help resolve the differences. HUD will only review protests in cases of violations of Federal law or regulations and failure of the HACSC to review a complaint or protest.

### **B. BID PROTESTS**

Any actual or prospective contractor may protest the solicitation or award of a contract for serious violations of the principles of this Policy. Any protest against a solicitation must be received before the due date for receipt of bids or proposals, and any protest against the award of a contract must be received within ten (10) calendar days after contract award, or the protest will not be considered. All bid protests shall be in writing, submitted to the Contracting Officer or designee, who shall issue a written decision on the matter. The Contracting Officer may, at his or her discretion, suspend the procurement pending resolution of the protest, if warranted by the facts presented.

### **C. CONTRACT CLAIMS**

All claims by a contractor relating to performance of a contract shall be submitted in writing to the Contracting Officer or designee for a written decision. The contractor may request a conference on the claim.

## **VIII. ASSISTANCE TO SMALL AND OTHER BUSINESSES**

### **A. REQUIRED EFFORTS**

Consistent with Presidential Executive Orders 11625, 12138, and 12432, and Section 3 of the HUD Act of 1968, the HACSC shall make efforts to ensure that small and minority- owned businesses, women's business enterprises, labor surplus area businesses, and individuals or firms located in or owned in substantial part by persons residing in the area of a HACSC project are used when possible. Such efforts shall include, but shall not be limited to:

1. Including such firms, when qualified, on solicitation mailing lists;
2. Encouraging their participation through direct solicitation of bids or proposals whenever they are potential sources;
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by such firms;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by such firms;
5. Including in contracts a clause requiring contractors, to the greatest extent feasible, to provide opportunities for training and employment for lower income residents of the project area, and to award subcontracts for work in connection with the project to business concerns which are located in, or owned in substantial part, by persons residing in the area of the project;
6. Requiring prime contractors, when subcontracting is anticipated, to take the positive steps listed in A1 through A6 above.

## **B. DEFINITIONS**

1. A small business is defined as a business which is: independently owned, not dominant in its field of operation, and not an affiliate or subsidiary of a business dominant in its field of operation.
2. A minority-owned business is defined as a business which is at least 51% owned by one or more minority group members; or, in the case of a publicly-owned business, one in which at least 51% of its voting stock is owned by one or more minority group members, and whose management and daily business operations are controlled by one or more such individuals. Minority group members include, but are not limited to Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans and Asian Indian Americans, and Hasidic Jewish Americans.
3. A women's business enterprise is defined as a business that is at least 51% owned by a woman or women who are U.S. citizens and who also control or operate the business.

4. A labor surplus area business is defined as .a business which, together with its immediate subcontractors, will incur more than 50% of the cost of performing the contract in an area of concentrated unemployment or underemployment.
5. A business concern located in the area of the project, is defined as an individual or firm located within the relevant Section 3 covered project area, as determined pursuant to 24 CFR 135.15, listed on HUD's registry of eligible business concerns, and meeting the definition of small business above. A business concern owned in substantial part by persons residing in the area of the project is defined as a business concern which is 51% or more owned by persons residing within the Section 3 covered project, owned by persons considered by the U.S. Small Business Administration to be socially or economically disadvantaged and meeting the definition of small business above.

## **IX. ETHICS IN PUBLIC CONTRACTING**

### **GENERAL**

The HACSC shall adhere to the following code of conduct, consistent with applicable State or local law.

#### **A. CONFLICT OF INTEREST**

No employee, officer or agent of this HACSC shall participate directly or indirectly in the selection or in the award or administration of any contract if a conflict, real or apparent, would be involved. Such conflict would arise when a financial or other interest in a firm selected for award is held by:

1. An employee, officer or agent involved in making the award;
2. His/her relative (including father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother- in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, or half sister);
3. His/her partner; or;
4. An organization which employs, is negotiating to employ, or has an arrangement concerning prospective employment of any of the above.

**B. GRATUITIES, KICKBACKS, AND USE OF CONFIDENTIAL INFORMATION**

HACSC officers, employees or agents shall not solicit or accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subcontracts, and shall not knowingly use confidential information for actual or anticipated personal gain.

**C. PROHIBITION AGAINST CONTINGENT FEES**

Contractors shall not retain a person to solicit or secure a HACSC contract for a commission, percentage, brokerage, or contingent fee, except for bona fide employees or bona fide established commercial selling agencies.

PROCUREMENT POLICY REVISED 11/04/96

## **Housing Needs of Families in the Housing Authority's Jurisdictions**

The Housing Authority administers over 16,500 units of public and Section 8 assisted housing throughout Santa Clara County. This number does not nearly meet the existing need for affordable housing in our community. Although there are theoretically enough units to house families, what exists is generally not affordable to those making less than 50% of the median income.

Many factors influence the supply, diversity and affordability of housing in the County of Santa Clara. One significant factor is the shortage of affordable housing units relative to demand and affordability to extremely low, low-and moderate-income residents.

The City of San Jose's 2005-2010 Consolidated Plan prepared by the City of San Jose Housing Department supports the premise of "the shortage of affordable housing units relative to **demand** and **affordability** to extremely low, low and moderate income residents". The City's recent Con Plan approved by HUD, states that "San Jose faces important challenges in providing affordable housing for all socioeconomic segments of its population, given the highly competitive housing market and limited public dollars". Although, the City of San Jose is the tenth largest city in the U.S. and the third largest city in California, it is also one of the most **expensive** areas in which to live in. Many of the City's residents, especially those with lower incomes, cannot afford decent, safe and appropriate housing. In terms of residents who reside in rental housing, over 30% fall into the low and extremely low-income categories and have acute housing needs. According to the 2000 U.S. Census, approximately two-thirds of all low-income households in San Jose experienced housing problems and approximately half of those problems were associated with overcrowding and housing conditions, with cost burden constituting the other half. Cost burden refers to households that spend more than 30% of their income on housing. Almost 75% of households experiencing housing problems were cost burdened.

The City of Sunnyvale's 2005-2010 Consolidated Plan states that the primary barriers to affordable housing in the City of Sunnyvale are the high costs of housing, the lack of land available for new housing and the scarcity of public funds to assist in the development of affordable housing. In terms of rental housing, there is a substantial affordability gap between what extremely low-income households can pay for rent and the market rent. One noted example provided in the Con Plan explains how a couple, both working full-time at minimum wage (6.75 per hour) would make \$28,175 a year. Assuming that the couple lives in a two-bedroom apartment rented at the FMR, the rent would take approximately 78.0% of their gross monthly income. In addition, a recent report from the National Low-Income Housing Coalition, entitled *Out of Reach: the Gap Between Housing Costs and Income of Poor People in the United States*, states that in Santa Clara County one would have to earn an hourly wage of \$21.90 to afford fair market rent for a two bedroom unit, based on rent being 30% of income. Lower-income families and individuals who rent are the populations that are most at-risk of becoming threatened by homelessness, if not become homeless, should a severe financial and/or life crisis occur.

Clearly there is a strong need for more affordable housing in the County of Santa Clara. Although, we have highlighted the needs of the lower-income population, other special needs populations such as, at-risk youth, seniors and the mentally disabled also experience high levels of housing problems due to high

housing cost burden. The need for additional housing vouchers is extremely critical for these households. The Housing Authority of the City of San Jose's Waiting List, which was open from January 22 through January 30, 1999, began with approximately 27,000 families waiting to apply for rental assistance. The Housing Authority will once again open its wait list in April of 2006. We anticipate receiving a high volume, perhaps exceeding the number of applications received in 1999, of applications from families in need of housing assistance.

The Housing Authority's strategies for addressing the local housing needs of low and extremely low-income families over the subsequent five years are listed in its Annual and Five Year Plan to HUD.

# HOUSING AUTHORITY OF THE CITY OF SAN JOSE

## *Annual Plan*

### *Resident Advisory Board Meeting Minutes*

*January 12, 2006, 505 W. Julian Street*

## **1. INTRODUCTIONS**

Present: Candace Capogrossi, Deputy Executive Director  
Housing Authority of the City of San Jose

Richard Warren, Property Management Director  
Housing Authority of the City of San Jose

Frank Wall, Housing Construction Administrator  
Housing Authority of the City of San Jose

Abby Pacheco, Executive Administrative Assistant  
Housing Authority of the City of San Jose

Section 8 and Public Housing Tenants, Ida Holliman, Edna Elkins, Verna Hayden, Sheila Foote and Sam Young

## **2. PURPOSE**

In 1998, Section 511 of the Quality Housing and Work Responsibility Act (QHWRA) formed the public housing agency Five-Year and Annual Plan requirement. The Plan provides details about the Housing Authority's immediate operations and programs including information of program participants, its services, and the Housing Authority's strategy for handling operational concerns, residents' concerns and needs, programs and services for the upcoming fiscal year.

## **3. OVERVIEW**

The Resident Advisory Board (RAB) provides the PHA and the residents with a forum for sharing information about the agency's annual plan. This meeting and within the forthcoming meetings the RAB and PHA will review last year's plan, its primary goals, and present suggestions for this year's plan.

## **4. COMMENTS**

Candace Capogrossi welcomed everyone thanked the RAB for their participation in this year's Plan process. The following questions and/or comments were made by members of the Resident Advisory Board and are hereby noted:

- *Accomplishments and challenges of 2004-2005* Candy Capogrossi presented information and/or a recap of topics concerning the Housing Authority's challenges and accomplishments over the past year. Key topics that were discussed were as follows:

- Homeownership program – Due to the economy, the San Jose Redevelopment Agency was unable to commit funds to our homeownership program. However, the Housing Authority has been working with Washington Mutual and other lenders along with Silicon Valley Neighborhood Housing Services in providing counseling assistance and resources to clients that are interested in the program.
  - Section 8 Wait List – the Housing Authority wait list is now below 4000 names. The Housing Authority anticipates reopening the wait list in late April and expects a large number of applications to be received.
  - Chronically Homeless Vouchers – The Housing Authority will seek an increase in the use of vouchers for chronically homeless residing in the City of San Jose and County of Santa Clara from 25 to 100.
- Capital Fund and 5 Year Action Plan - Through HUD's Comprehensive Grant Program, capital funds are distributed to large PHA's for major capital improvements/investments. PHA's are required to submit a 5-year Action Plan for these funds describing each large capital item and indicating the amount of grant funds anticipated to be spent for the upcoming plan year. Richard Warren, Frank Wall and Sandra Alcoba of the Property Management Department explained of the group that consists of staff from the Property Management Department and the Development Department that meet on a regular basis in order to determine which projects will be selected to be worked, always keeping in mind funding availability and health and safety projects taking precedence over others. Suggestions or proposals for capital improvements are submitted through different sources, one of them being requests submitted from tenants to top management via property managers and resident managers. The requests are then "cataloged", reviewed, and discussed at the annual and monthly meetings.

*Additional Comments:* Ms. Capogrossi commented on the challenges that the Housing Authority of the County of Santa Clara has faced and will be facing in the coming year. Although the above listed topics were briefly discussed due to time limitations, Ms. Capogrossi will keep the RAB informed of all pertinent information related to these topics. Furthermore, three meetings were conducted at Housing Authority's resident complexes – offsite - regarding the Capital Fund and Five Year Plan and Annual and Five Year Plan. All residents were invited to attend.

PUBLIC HEARING – March 24, 2006

The Housing Authority held its Public Hearing on Friday, March 24, 2006. Although, many guests from the community attended the majority were interested in receiving information about the upcoming opening of the Section 8 Wait List.

Additional comments and/or testimony received from the public are provided as attachment X.















**Capital Improvement Program Five- Year Action Plan  
Part II: Supporting Pages - Work Activities**

Activities for Year 1 2006	Activities for Year : 2 FFY Grant: 2007 PHA FY: 2007			Activities for Year 3: FFY Grant: 2008 PHA FY: 2008		
	Development Name/Number	Major Work Categories	Estimated Cost	Development Name/Number	Major Work Categories	Estimated Cost
See Annual Statement	16/Miramar-Deborah	Paint exterior	\$ 17,500.00	16/Miramar-Deborah	Modernize residential units	\$ 80,000.00
		<b>Replace boilers systems</b>	\$ 6,500.00			
		Replace second floor decks	\$ 4,500.00			
		Replace metal railings	\$ 7,500.00			
		<b>Subtotal</b>	<b>\$ 36,000.00</b>		<b>Subtotal</b>	<b>\$ 80,000.00</b>
	HA- Wide	Operations	\$ 200,000.00		Operations	\$ 200,000.00
		CFP Staff Training	\$ 1,500.00		CFP Staff Training	\$ 1,500.00
		Resident initiative computer training	\$ 7,500.00		Resident initiative computer training	\$ 7,500.00
		Computer Software	\$ 10,000.00		Computer Software	\$ 10,000.00
		Senior Housing Coordinator	\$ 24,000.00		Senior Housing Coordinator	\$ 24,000.00
		Salaries & benefits	\$ 54,001.00		Salaries & benefits	\$ 55,621.00
		Travel	\$ 700.00		Travel	\$ 700.00
		Recording Fees	\$ 150.00		Recording Fees	\$ 150.00
		Audit	\$ 4,918.00		Audit	\$ 5,066.00
		Consultant fees	\$ 25,000.00		Consultant fees	\$ 25,000.00
		Architect/inspection	\$ 57,154.00		Architect/inspection	\$ 58,869.00
		Nondwelling Structures	\$ -		Nondwelling Structures	\$ -
		Computer hardware	\$ 10,000.00		Computer hardware	\$ 10,000.00
		Relocation	\$ 25,000.00		Relocation	\$ 25,000.00
		Collateralization or Debt Service	\$ 343,221.25		Collateralization or Debt Service	\$ 347,758.75
		Contingency	\$ 10,000.00		Contingency	\$ 10,000.00
		<b>Subtotal</b>	<b>\$ 773,144.25</b>		<b>Subtotal</b>	<b>\$ 781,164.75</b>
		<b>Total CFP Estimated Cost</b>	<b>\$ 809,144.25</b>		<b>Total CFP Estimated Cost</b>	<b>\$ 861,164.75</b>

**Capital Improvement Program Five-Year Action Plan  
Part II: Supporting Pages - Work Activities**

Activities for Year 1 2006	Activities for Year : 4 FFY Grant: 2009 PHA FY: 2009		Activities for Year: 5 FFY Grant: 2010 PHA FY: 2010			
Development Name/Number	Major Work Categories	Estimated Cost	Development Name/Number	Major Work Categories	Estimated Cost	
See Annual Statement	16/Miramar-Deborah	Replace wall furnaces	\$ 11,000.00	16/Miramar-Deborah	Modernize residential units	\$ 80,000.00
		<b>Subtotal</b>	<b>\$ 11,000.00</b>		<b>Subtotal</b>	<b>\$ 80,000.00</b>
	HA- Wide	Operations	\$ 200,000.00	Operations		\$ 200,000.00
		CFP Staff Training	\$ 1,500.00	CFP Staff Training		\$ 1,500.00
		Resident initiative computer training	\$ 7,500.00	Resident initiative computer training		\$ 7,500.00
		Computer Software	\$ 10,000.00	Computer Software		\$ 10,000.00
		Senior Housing Coordinator	\$ 24,000.00	Senior Housing Coordinator		\$ 24,000.00
		Salaries & benefits	\$ 57,290.00	Salaries & benefits		\$ 59,009.00
		Travel	\$ 700.00	Travel		\$ 700.00
		Recording Fees	\$ 150.00	Recording Fees		\$ 150.00
		Audit	\$ 5,218.00	Audit		\$ 5,375.00
		Consultant fees	\$ 25,000.00	Consultant fees		\$ 25,000.00
		Architect/inspection	\$ 60,635.00	Architect/inspection		\$ 62,454.00
		Nondwelling Structures	\$ 500,000.00	Nondwelling Structures		\$ -
		Computer hardware	\$ 10,000.00	Computer hardware		\$ 10,000.00
		Relocation	\$ 25,000.00	Relocation		\$ 25,000.00
		Collateralization or Debt Service	\$ 346,827.50	Collateralization or Debt Service		\$ 345,407.50
		Contingency	\$ 10,000.00	Contingency		\$ 10,000.00
		<b>Subtotal</b>	<b>\$ 1,283,820.50</b>	<b>Subtotal</b>		<b>\$ 786,095.50</b>
		<b>Total CFP Estimated Cost</b>	<b>\$ 1,294,820.50</b>	<b>Total CFP Estimated Cost</b>		<b>\$ 866,095.50</b>

## CAPITAL IMPROVEMENT PROGRAM TABLES

Annual Statement/Performance and Evaluation Report		Grant Type and Number		Federal FY of Grant:	
Capital Improvement Program and Capital Improvement Program Replacement Housing Factor (CIP/CIPRHF) Part I: Summary		Capital Fund Program Grant No.: CA39PO5950106		2006	
PHA Name: Housing Authority of the County of Santa Clara		Replacement Housing Factor Grant No. N/A			
Original Annual Statement ___ Reserve for Disasters/Emergencies		x Revised Annual Statement (revision no.: 1)			
Performance and Evaluation Report for Period Ending:		Final Performance and Evaluation Report			
Summary by Development Account		Total Estimated Cost		Total Actual Cost	
Line No.		Original	Revised	Obligated	Expended
1	Total non-CFP Funds	\$ -			
2	1406 Operations	\$ 200,000.00			
3	1408 Management Improvements	\$ 116,500.00			
4	1410 Administration	\$ 122,150.00			
5	1411 Audit	\$ 4,775.00			
6	1415 Liquidated Damages	\$ -			
7	1430 Fees and Costs	\$ 35,000.00			
8	1440 Site Acquisition	\$ -			
9	1450 Site Improvement	\$ -			
10	1460 Dwelling Structures	\$ 410,507.00			
11	1465.1 Dwelling Equipment - nonexpendable	\$ -			
12	1470 Nondwelling Structures	\$ -			
13	1475 Nondwelling Equipment	\$ 130,000.00			
14	1485 Demolition	\$ -			
15	1490 Replacement Reserve	\$ -			
16	1492 Moving to Work Demonstration	\$ -			
17	1495.1 Relocation Costs	\$ 15,000.00			
18	1499 Development Activities	\$ -			
19	1501 Collateralization or Debt Service	\$ 343,452.50			
20	1502 Contingency	\$ 7,000.00			
21	Amount of Annual Grant (sum of lines 2-20)	<b>\$ 1,384,384.50</b>			

**Annual Statement/Performance and Evaluation Report  
 Capital Improvement Program and Capital Fund Program Replacement Housing Factor (CIP/CIPRHF) Part I: Summary**

PHA Name: Housing Authority of the County of Santa Clara  
 Grant Type and Number  
 Capital Fund Program Grant No.: CA39PO5950106  
 Replacement Housing Factor Grant No. N/A  
 Federal FY of Grant: 2006

Original Annual Statement \_\_\_ Reserve for Disasters/Emergencies  Revised Annual Statement (revision no.: 1)  
 Performance and Evaluation Report for Period Ending: Final Performance and Evaluation Report

Line No.	Summary by Development Account	Total Estimated Cost			Total Actual Cost	
		Original	Revised	Obligated	Expended	
22	Amount of line 21 Related to LBP Activities					
23	Amount of line 21 Related to Section 504 compliance					
24	Amount of line 21 Related to Security - Soft Costs					
25	Amount of Line 21 Related to Security - Hard Costs					
26	Amount of line 21 Related to Energy Conservation Measures					









**Annual Statement/Performance and Evaluation Report  
 Capital Improvement Program and Capital Improvement Program Replacement Housing Factor (CIP/CIPRHF)  
 Part II: Supporting Pages**

PHA Name: Housing Authority of the County of Santa Clara  
 Grant Type and Number  
 Capital Fund Program Grant No.: CA39PO590106  
 Replacement Housing Factor Grant No: N/A  
 Federal FY of Grant: 2006

Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
Operations	Public Housing operating expenses	1406		\$ 200,000.00				
			<b>Total 1406</b>	<b>\$ 200,000.00</b>				
Management Improvements	CFP Training	1408		\$ 15,000.00				
	Residential initiative computer training	1408		\$ 7,500.00				
	Computer Software	1408		\$ 70,000.00				
	Senior Housing Service Coordinator	1408		\$ 24,000.00				
			<b>Total 1408</b>	<b>\$ 116,500.00</b>				
Administration	Salaries & Benefits	1410		\$ 120,000.00				
	Travel	1410		\$ 2,000.00				
	Recording Fees	1410		\$ 150.00				
			<b>Total 1410</b>	<b>\$ 122,150.00</b>				
Audit	Audit	1411		\$ 4,775.00				
			<b>Total 1411</b>	<b>\$ 4,775.00</b>				

**Annual Statement/Performance and Evaluation Report  
 Capital Improvement Program and Capital Improvement Program Replacement Housing Factor (CIP/CIPRHF)  
 Part II: Supporting Pages**

PHA Name: Housing Authority of the County of Santa Clara		Grant Type and Number		Federal FY of Grant: 2006				
Development Number Name/HA-Wide Activities		Capital Fund Program Grant No.: CA39PO590106	Replacement Housing Factor Grant No: N/A					
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
Fees and Costs	Consultant Fees	1430		\$ 10,000.00				
	Architect/inspection fees	1430		\$ 25,000.00				
			<b>Total 1430</b>	<b>\$ 35,000.00</b>				
Nondwelling Equipment	Trucks (3)	1475		\$ 120,000.00				
	Riding Lawn Mower	1475		\$ 10,000.00				
			<b>Total 1475</b>	<b>\$ 130,000.00</b>				
Relocation	Relocation	1495		\$ 15,000.00				
			<b>Total 1495</b>	<b>\$ 15,000.00</b>				
Collateralization or Debt Service	Bond financing approved FY 2006	1501		\$ 343,452.50				
			<b>Total 1501</b>	<b>\$ 343,452.50</b>				
Contingency	Contingency	1502		\$ 7,000.00				
			<b>Total 1502</b>	<b>\$ 7,000.00</b>				

**Annual Statement/Performance and Evaluation Report  
 Capital Improvement Program and Capital Improvement Program Replacement Housing Factor (CIP/CIPRHF)  
 Part III: Supporting Pages**

PHA Name: Housing Authority of the County of Santa Clara

**Grant Type and Number**  
 Capital Fund Program Grant No.: CA39PO590106  
 Replacement Housing Factor Grant No: N/A

**Federal FY of Grant: 2006**

Development Number Name/HA-Wide Activities	All Fund Obligates (Quarter Ending Date)			All funds Expended (Quarter Ending Date)			Reasons for Revised Target Dates
	Original	Revised	Actual	Original	Revised	Actual	
04/Rincon Gardens	8/15/2008			8/15/2008			
05/Sunset Gardens	8/15/2008			8/15/2008			
07/Lenzen Gardens	8/15/2008			8/15/2008			
08/Cypress Gardens	8/15/2008			8/15/2008			
12/Lucretia-Julian	8/15/2008			8/15/2008			
14/Halford-Poinciana	8/15/2008			8/15/2008			
16/Miramar-Deborah	8/15/2008			8/15/2008			
HA-Wide							
Operations	8/15/2008			8/15/2008			
Management - Improvements	8/15/2008			8/15/2008			
Administration	8/15/2008			8/15/2008			
Audit	8/15/2008			8/15/2008			
Fees & Costs	8/15/2008			8/15/2008			
Nondwelling Equipment	8/15/2008			8/15/2008			
Relocation	8/15/2008			8/15/2008			
Collateralization or Debt Service	8/15/2008			8/15/2008			
Contingency	8/15/2008			8/15/2008			

April 6, 2006

Alex Sanchez, Executive Director  
Housing Authority of the County of Santa Clara  
505 West Julian Street  
San José, CA 95110

Dear Mr. Sanchez:

As you may already know, on April 4, 2006 the Board of Commissioners for the Housing Authority of the City of San José unanimously voted to request that 100 Section 8 vouchers per year be set aside for San José's chronically homeless. Per this direction, we request that 100 Section 8 vouchers allocated to the City's Housing Authority be designated for the chronically homeless.

While we understand that on March 28, 2006, the Board of Commissioners for the Housing Authority of the County of Santa Clara (HACSC) voted to make the preference for chronically homeless county-wide, the City's action was to designate 100 Section 8 vouchers for San José's chronically homeless. In coordinating with HACSC staff, we agreed on the number (100) because it was our understanding that this preference was strictly for the City's Housing Authority. Since the City's Housing Authority is allocated 40% of the vouchers, we are concerned that fewer than 100 vouchers will be available for use by San José's chronically homeless now that the preference has been expanded to the entire county. Since Section 8 vouchers represent a unique opportunity to better serve our City's homeless population, we want to ensure that at a minimum, 100 Section 8 vouchers are designated to San José's chronically homeless population in the upcoming year.

We are excited that the number of vouchers designated for the chronically homeless has increased from 25 to 100, since vouchers represent one of the few options for providing housing for this population, given that most have little or no income. As you update the Annual Plan in 2007, we look forward to working with HACSC staff to assess whether a higher number of vouchers should be designated for the chronically homeless in future years. We recognize Section 8 vouchers as a critical tool for moving towards the goal of ending chronic homelessness.

Thanks for your willingness to work with us on these issues. I appreciate your time and consideration. If you have any questions or you foresee any problems with implementing the action approved by San José's Board of Commissioners, please call me at 408-535-3851.

Sincerely,



LESLYE KRUTKO  
Director of Housing

Mr. Alex Sanchez  
Executive Director  
Housing Authority of the County of Santa Clara  
505 West Julian Street  
San Jose, CA 95110

Re: HACSC FY 2006 Annual Plan

Dear Mr. Sanchez:

The City of Santa Clara would like to comment on the 2006 Annual Plan of the Housing Authority of the County of Santa Clara. Those comments are specifically directed at HACSC's five year Goal of increasing assisted housing choices by establishing "a limited local preference for the chronically homeless in the City of San Jose" (p. 2). It is the understanding of the City of Santa Clara that this preference will be limited to 100 vouchers in Fiscal Year 2006.

In its July 20, 2005 memorandum commenting upon the County's "10-Year Plan To End Chronic Homelessness in Santa Clara County", the City of Santa Clara expressed a concern that scarce federal resources would be diverted from successful programs meeting broad-based identified needs to an experimental program with no track record of success in Santa Clara County serving a limited subsection of the population. Since there will be no new vouchers in FY 2006, the chronically homeless preference is a diversion of limited, federal resources. In fact, the proposed local preference in HACSC's Annual Plan would set-aside 8.3% of Section 8 vouchers likely to be available in FY 2006 for households who are chronically homeless. That percentage translates to 100 out of the estimated 1200 vouchers that will become available in 2006.

In the 2000 Census, the City of Santa Clara had 5,579 renter households with an annual income below 50% AMI (3,066 below 30% AMI), that experienced housing problems, most of which were excessive housing cost burden. Countywide, that need translates to approximately 75,000 households. The County's 10 Year Plan stated that 2,500 new units of housing, 1,500 of which are "rental subsidies," will be needed for the chronically homeless in the period 2005-2015. That ten year need for rental assistance represents only 2% of the current need of very low income households for the kind of assistance provided by Section 8 vouchers. Such a disproportionate set-aside is inherently unfair to the tens of thousands of working poor who are coping with the high housing costs in Santa Clara County.

The City of Santa Clara is also concerned that the preferential set-aside is targeted only "for the chronically homeless in the City of San Jose." Such a geographical preference is unacceptable for two reasons: (1) Chronic homelessness is a countywide issue; and (2) siphoning off one out of every twelve vouchers for one jurisdiction would lead to other jurisdictions demanding their "fair share" of vouchers. Such a consequence is directly at odds with the countywide mission of the Housing Authority.

Based on the above discussion, the City of Santa Clara proposes the following:

- The FY 2006 preference for chronically homeless be available countywide.
- No future year preference for chronically homeless, or for any other targeted population, be granted without a public determination of the identified unmet need of that group and then granted only proportionate to the identified need of the general population for vouchers.
- In the interest of fairness, any household receiving Section 8 assistance or public housing, regardless of any existing preferences, must be on the waiting list for such assistance.

If you have any questions regarding these comments, please contact Jeff Pedersen, Housing & Community Services Division Manager, at (408) 615-2491.

Sincerely,

Kevin L. Riley  
Director, Planning and Inspection  
City of Santa Clara

## Abby Miranda

---

**From:** Candy Capogrossi  
**Sent:** Saturday, March 25, 2006 8:42 AM  
**To:** Abby Miranda  
**Subject:** FW: Section 8 and Annual HA Plan as Relates to CaWORKs Clients

This should be part of the documentation file on the plan. We most probably will not do this for this year.

Candy Capogrossi

-----Original Message-----

**From:** Alette Lundeberg [mailto:Alette.Lundeberg@ssa.co.santa-clara.ca.us]  
**Sent:** Friday, March 24, 2006 4:51 PM  
**To:** Candy Capogrossi  
**Cc:** Will Lightbourne; Katherine Buckovetz; Frank Motta; Denise Boland; Ofelia Armenta; Kathryn Aguirre  
**Subject:** Section 8 and Annual HA Plan as Relates to CaWORKs Clients

Hello Candy,

I know this must be a hectic period for the Housing Authority, both pulling together its annual plan and opening the Section 8 list after so many years. I also assume you are inundated with special need requests from numerous sectors of the community. And I know this must be stressful, given the funding challenges you continue to have.

With all respect for these challenges, I am asking that the Housing Authority continue its long and successful partnership with the Social Service Agency's CalWORKs program by allowing 200 CalWORKs clients participating in good standing in our program to "replace" any of the slots that are vacated by CalWORKs clients in the Welfare to Work program. I know that nearly two years ago HUD changed the rules on this program, eliminated the special funding, and directed housing authorities to blend these vouchers in with the rest of the Section 8 program.

As realists, we accepted the inevitable, given the changes in HUD in recent years that caused budgetary problems for your organization. However, it is my hope that we can resurrect the "replacement" process for 200 of our clients this new fiscal year. Our partnership with the Housing Authority in this program, the Shallow Subsidy Program and the Family Self-Sufficiency Program has truly yielded remarkable results for so many of our mutual families. Through joint policy development and case management efforts, we have seen so many of our housed families really take advantage of the opportunities offered to them and move into self-sufficiency. With the recent reauthorization of TANF, our families will be facing additional restrictions that will increase the barriers they face to become self-supporting. By allowing some of these families access to the most vital of supports--affordable housing--we can help mitigate these new hurdles for a few of them.

4/14/2006

It is my sincere hope that you will agree that by continuing to grow our partnership both of our organizations will benefit.

Thanks for considering this request. If you would like to talk I can be reached at 491-6610.

Sincerely,

Alette Lundeberg, CalWORKS Administrator

**NOTICE:** This email message and/or its attachments may contain information that is confidential or restricted. It is intended only for the individuals named as recipients in the message. If you are NOT an authorized recipient, you are prohibited from using, delivering, distributing, printing, copying, or disclosing the message or content to others and must delete the message from your computer. If you have received this message in error, please notify the sender by return email.

## **Housing Authority of the County of Santa Clara**

### *Project-Based Assistance*

The Housing Authority has chosen to implement Project-Based Assistance in its Section 8 Program. Up to 20% (or 1,914) of the Section 8 vouchers under the Housing Authority Annual Contribution Contracts (ACC) for the County of Santa Clara will be made available for project-based assistance.

Project-Based Assistance attaches rent subsidies to designated units in existing, rehabilitated or newly constructed housing developments. Families residing in these units must meet the Section 8 Housing Choice Voucher eligibility criteria.

The Housing Authority has chosen to implement project-based assistance in order to provide a resource of stable affordable housing units in the volatile economic market of Santa Clara County and to help increase participation by private owners in providing affordable housing.

Periodically, the Housing Authority will accept applications for the Project-Based Assistance Program from property owners in response to advertisements in a newspaper of general circulation. Projects awarded with project-based assistance will be located in cities that are within the County of Santa Clara (except San Jose) and must meet the specific criteria outlined in the Request for Proposals issued at that time. Projects may be existing developments, housing needing rehabilitation, or new construction projects.

The Housing Authority will maintain three separate Project-Based waiting lists (North County, Central County and South County) from which it will fill vacant project-based assisted units. Owners of Project-Based developments may refer families for placement on the waiting list(s).

## Abby Miranda

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**From:** Pinheiro, Al [al@alpinheiroformayor.com]  
**Sent:** Thursday, March 30, 2006 10:44 AM  
**To:** AbbyP@HACSC.org  
**Cc:** Marilyn.roaf@ci.gilroy.ca.us  
**Subject:** housing Authority five year plan

Hi Abby,

I just wanted to take a moment to agree with Marilyn Roaf and express my concern that we in Gilroy share in the vouchers for the section 8 chronically homeless individuals, as you know South County has a great need for these services.

We are very happy that these vouchers are available and would like to put them to use in our City of Gilroy.

Please feel free to contact me should you want to discuss this any further and I hope that you will agree and put into place such a suggestion.

Sincerely,

Al Pinheiro  
Mayor, City of Gilroy

4/14/2006

## Abby Miranda

---

**From:** Marilyn Roaf [Marilyn.Roaf@ci.gilroy.ca.us]  
**Sent:** Tuesday, March 28, 2006 10:17 AM  
**To:** AbbyP@HACSC.org  
**Cc:** Dina Campeau; Margaret.Gregg@ceo.sccgov.org  
**Subject:** Housing Authority 5 Year Plan

I would like to offer the following comment on HACSC's five year Goal of increasing assisted housing choices by establishing "a limited local preference for the chronically homeless in the City of San Jose." I would hope that the chronically homeless in Gilroy and other areas of the County would be able to avail themselves of a portion of the 100 vouchers set aside in 2006 and any set asides for the same purpose during the years covered by the five year plan. I suggest that the homeless outreach committee of the Santa Clara County Collaborative on Affordable Housing and Homeless Issues be apportioned 10% of any chronic homeless vouchers set aside in each year of the five year plan to be used in conjunction with homeless connection activities in the northern and southern areas of the County.

Marilyn Roaf  
HCD Coordinator  
City of Gilroy  
Phone (408)846-0241  
Fax (408)846-0429

4/14/2006