



Moving to Work (MTW) FY 2018 Annual Report

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

Submitted September 28, 2018

[Revised November 20, 2019](#)

Moving to Work FY2018 Annual Report

SANTA CLARA COUNTY HOUSING AUTHORITY (SCCHA)

(Housing Authorities of the County of Santa Clara & The City of San José)

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

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I. Introduction

Purpose of this Report

The Santa Clara County Board of Supervisors established the Housing Authority of Santa Clara County, now Santa Clara County Housing Authority of the County of Santa Clara (SCCHA), in 1967. SCCHA has an agreement with the City of San José to administer and manage the Housing Authority of the City of San José (HACSJ)'s Housing Choice Voucher program. SCCHA is an independent local government agency whose mission is to provide and inspire affordable housing solutions to enable low-income people in Santa Clara County to achieve financial stability and self-reliance.

SCCHA and the Housing Authority of the City of San José (HACSJ) entered into a 10-year agreement (extended until the conclusion of Fiscal Year 2028) with the Department of Housing and Urban Development (HUD) to become a Moving to Work (MTW) agency at the beginning of 2008. This MTW Annual Report, submitted by SCCHA on behalf of both agencies, demonstrates the status of SCCHA's tenth full year as an MTW agency during fiscal year (FY) 2018 (July 1, 2017 through June 30, 2018).

What is MTW?

The MTW program, established by Congress in 1996, is a federal demonstration program that links federal goals with locally-designed actions. Through the MTW program, select housing authorities are encouraged to propose and implement innovative changes to the way housing programs are administered in order to meet three broad federal goals:

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

SCCHA strives to achieve these goals while assisting at least as many households and as diverse households (in terms of income level and family size) as before receiving MTW designation.

SCCHA's Short-Term Goals

SCCHA made progress on a number of short-term goals identified in the FY2018 MTW Annual Plan. SCCHA continues to monitor the local rental market to ensure payment standards allow voucher holders to lease units in the competitive rental market. The local rental market continues to be an obstacle to leasing up Housing Choice Vouchers (HCV) due to limited supply and high rents.

In FY2018, SCCHA continued redesigning the "Focus Forward" program (Activity 2014-1a and Activity 2014-1b). The Focus Forward program was re-proposed in the FY2018 MTW Plan to include more robust case management and ongoing program incentives (Activity 2014-1a) and to add a time limit and change the rent structure (Activity 2014-1b). In order to prepare for selection of a consultant to implement the program, SCCHA researched the policy implications of the newly approved changes. The agency anticipates program implementation in FY2019.

SCCHA also continued its work on the Special Needs Population Direct Referral Program (SNDR). The SNDR program will serve persons with disabilities who require intensive case management and supportive services to obtain and maintain housing. The memorandum of understanding (MOU) with the partner agency, the Santa Clara County Office of Supportive Housing (OSH), was executed in February 2018. SNDR referral policies were created and internal procedures are close to completion. OSH began the processes required for referrals of families and individuals for housing assistance. SCCHA expects the first SNDR clients will be housed in a newly constructed development with Project Based Vouchers (PBVs) in early FY2019.

SCCHA's Human Resources Department and Training and Outreach team continued to provide trainings to agency staff. The trainings provided focus on professional development and effective administration of the SCCHA's Section 8 programs. The Training and Outreach team held three tenant resource fairs to help connect tenants with community agencies that provide resources to the population we serve. In addition to resource fairs, the Training and Outreach team continued their series of monthly Tenant Housing Search Workshops and Section 8 Owner Information Sessions. The workshops improve the agency's ability to communicate important program information to program stakeholders. SCCHA's Compliance team monitors and evaluates agency performance in the administration of the agency's federal programs.

SCCHA undertook a customer service initiative focused on more effectively serving Section 8 housing program applicants and participants. Using a design thinking consultant, the agency engaged in research to identify areas of concern among program participants and opportunities for improvement. Through the customer service initiative research the agency identified tracking of critical program dates and the need for additional methods of communication as areas where program participants had the most concern. Further research led to two projects: a form with critical dates for voucher recipients and a tenant phone app. The form was created and placed into use during this fiscal year. The agency designed the app features throughout FY2018 with the guidance of a design consultant and additional research. In addition to meeting needs identified through SCCHA's research, the tenant app also aligned with the Information Technology and Facilities department goal of improving the agency's efficiency. The tenant app is envisioned as a tool to allow agency clients convenient access to information regarding their caseworker, critical dates, and an additional communication avenue. The tenant app production will take place during FY2019.

SCCHA's affordable housing development work continued at the Park Avenue property projects, Laurel Grove Apartments and Park Avenue Senior Apartments. SCCHA is on track to begin leasing units at Laurel Grove Apartments in November 2018. Due to construction delays, work on Park Avenue Senior Apartments is now projected for completion in early 2020. Updates on other projects are found in the activity update later in this report.

SCCHA's Long-Term Goals

SCCHA continues to make progress on its long-term goals. SCCHA endeavors to achieve its mission through the following long-term goals:

1. Optimizing Moving to Work (MTW) flexibility;

2. Maintaining a leadership role in improving existing housing and expanding the availability of new affordable housing to meet community needs, both directly and through mutually beneficial partnerships;
3. Maintaining a leadership role in using Housing Choice Vouchers (HCV) to optimize the affordable housing options;
4. Promoting client financial stability and self-reliance, as appropriate to their specific needs;
5. Operating in an innovative, financially responsible manner; and
6. Providing leadership for, collaboration with, and sharing information related to SCCHA's mission with community organizations, public agencies, and the public.

Although the unrelenting increases in local open market rents over the last five years have slowed slightly, rents remain high and affordable unit supply remains low. Because of the great need for affordable housing units, SCCHA continues to engage in affordable housing development and using PBVs to encourage affordable housing development throughout the county. The housing Authority is strategically using PBVs in combination with county funds to create permanent supportive housing for the populations served by the Special Needs Direct Referral and the Chronically Homeless Direct Referral programs. As of the end of FY2018, SCCHA awarded 805 PBVs to 15 projects, with all but 27 units being new construction. Three projects awarded PBVs began construction during the past fiscal year – Renascent Place (160 PBV units), Villas on the Park (83 PBV units), and The Veranda (6 PBV units). PBVs continue to be the most efficient way to provide assistance to program participants, because of the lower HAP costs as compared to HCVs.

In addition to encouraging affordable housing development, SCCHA continues to expand its own portfolio of affordable housing. SCCHA purchased several parcels of land in June 2018 for the development of two new construction projects: Alvarado Park Senior Housing (89 units for persons aged 55 and over) and Bellarmino Place Family Housing (115 units). Construction continued on Laurel Grove Family Apartments Project (81 units) and on Park Avenue Senior Apartments (99 units for persons aged 55 and over). These land purchases coupled with PBV commitments are helping to increasing the supply of affordable housing in the area.

SCCHA continued its affordable housing preservation work during this fiscal year. The agency refinanced four City of San Jose loans totaling approximately \$25 million with MTW funds. The four properties benefiting from the refinancing of loans were Blossom River Apartments (144 family units), Helzer Court Apartments (155 family units), Morrone Gardens Apartments (102 senior apartments), and Pinmore Gardens Apartments (51 family units). The refinancing of the loans eliminated compound interest rate loans at fairly high rates, which ultimately allows SCCHA to retain cash flow within its portfolio for use in capital repairs and upgrades.

In September 2017, SCCHA used MTW funds to purchase the Buena Vista Mobile Home Park in Palo Alto, California. The close of escrow on this sale helps preserve affordable housing for over 100 income-eligible households. Housing quality standards inspections were performed on all the units at the mobile home park, and income certifications were also carried out. SCCHA ground leased the property to the new park operator Caritas Corporation. Caritas Corporation completed income certifications for the existing households and housing quality standards inspections of all the units. During the next fiscal year, Caritas will create an implementation plan for park improvements. SCCHA committed an

additional \$2 million for predevelopment costs associated with the work required for the park improvement implementation plan.

Finally, in an effort to better meet the agency's future space needs, SCCHA used approximately \$31 million in MTW funds to purchase vacant land for a new office site. SCCHA's Executive Department undertook a space planning effort and identified a need for more space to meet the staffing needs of the agency. The current office space is no longer sufficient to house the staff levels needed by the agency to administer the Section 8 program and the development goals of the agency. In addition to not having sufficient space for future staff needs, the current office site lacks the necessary parking for staff and program participants. The new site would provide a location for a larger office with sufficient parking, better access to public transportation.

II. General SCCHA Operating Information

A. HOUSING STOCK INFORMATION

i. Actual New Project Based Vouchers

Tenant-based vouchers that the MTW PHA project-based for the first time during the Plan Year. These include only those in which at least an Agreement to enter into a Housing Assistance Payment (AHAP) was in place by the end of the Plan Year. Indicate whether the unit is included in the Rental Assistance Demonstration (RAD).

| PROPERTY NAME | NUMBER OF VOUCHERS NEWLY PROJECT-BASED | | STATUS AT END OF PLAN YEAR** | RAD? | DESCRIPTION OF PROJECT |
|---------------------|--|--------|---|------|--|
| | Planned* | Actual | | | |
| Edwina Benner Plaza | 0 | 23 | Committed | No | 10 1-bedroom, 2 2-bedroom, and 10 3-bedroom |
| Renascent Place | 0 | 160 | Committed | No | Family, new construction project, consisting of 160 units. PBV units are for chronically homeless families. |
| Villas on the Park | 0 | 83 | Committed | No | Family, new construction project, consisting of 83 units. PBV units are for chronically homeless families. |
| The Veranda | 0 | 6 | Committed | No | Senior, new construction project, consisting of 19 units. 6 studio PBV units are for persons aged 55 years and over. |
| | 0 | 272 | Planned/Actual Total Vouchers Newly Project-Based | | |

* Figures in the "Planned" column should match the corresponding Annual MTW Plan.

** Select "Status at the End of Plan Year" from: Committed, Leased/Issued

Please describe differences between the Planned and Actual Number of Vouchers Newly Project-Based:

The agency did not anticipate the project-basing of the 23 units at Edwina Benner Plaza, the 160 units at Renascent Place, the 83 units at Villas on the Park, or the 6 units at The Veranda when the FY2018 MTW Plan was submitted. Because of the change in report format the 10 units at Met South, the 40 units at the Morgan Hill Family, the 81 units at Laurel Grove Family Apartments, and the 134 units at Second Street Studios that were listed under the "New Housing Choice Vouchers to be Project-Based During Fiscal Year" section of the FY2018 MTW Plan are listed under "Actual Existing Project Based Vouchers" section and not "Actual New Project Based Vouchers" section of this MTW Report.

ii. **Actual Existing Project Based Vouchers**

Tenant-based vouchers that the MTW PHA is currently project-basing in the Plan Year. These include only those in which at least an AHAP was in place by the beginning of the Plan Year. Indicate whether the unit is included in RAD.

| PROPERTY NAME | NUMBER OF PROJECT-BASED VOUCHERS | | STATUS AT END OF PLAN YEAR** | RAD? | DESCRIPTION OF PROJECT |
|-------------------------------|----------------------------------|--------|------------------------------|------|---|
| | Planned* | Actual | | | |
| 1701 ECR | 0 | 16 | Committed | No | 14 Studio and 2 1-bedroom units |
| 2275 Ellena Dr | 1 | 1 | Leased/Issued | No | Family project consisting of 4 units (4 2-bedroom). One PBV unit. |
| 2287 Pasetta Dr | 1 | 1 | Leased/Issued | No | Family project consisting of 4 units (4 2-bedroom). One PBV unit. |
| Anne Way Residence | 5 | 5 | Leased/Issued | No | Senior project consisting of 5 SRO units. PBV units are for persons aged 60 years and over. |
| Blossom Hill Residence | 5 | 5 | Leased/Issued | No | Senior project consisting of 5 SRO units. PBV units are for persons aged 60 years and over. |
| Carroll Inn | 20 | 20 | Leased/Issued | No | Family project consisting of 121 Studio units. PBV units are for disabled persons. |
| Casa De Novo | 27 | 27 | Leased/Issued | No | Family project consisting of 56 units. 27 units provide long-term supportive housing, 29 units operate as a hotel offering temporary supportive housing. PBV units are for chronically homeless families. |
| Casa Feliz Studios | 6 | 6 | Leased/Issued | No | Family project consisting of 60 studio units. PBV units are for chronically homeless families. |
| Connell Apartments | 5 | 5 | Leased/Issued | No | Family project consisting of 28 units (1 studio, 17 1-bedroom, and 10 2-bedroom). PBV units (2-Bedroom) are for families. |
| Corde Terra Senior Apartments | 199 | 199 | Leased/Issued | No | Senior project consisting of 199 1-bedroom units. PBV units are for persons aged 55 years and over. |
| Corinthian House | 6 | 6 | Leased/Issued | No | Senior project consisting of 102 units (62 studios and 40 1-bedroom). PBV units (1-bedroom) are for persons aged 62 years and over. |
| Country Hills | 37 | 37 | Leased/Issued | No | Family project consisting of 152 units (40 studio, 64 1-bedroom, and 48 2-bedroom). PBV units (8 studio, 16 1-bedroom, and 13 2-Bedroom) are for families. |
| Crescent Terrace | 20 | 20 | Leased/Issued | No | Senior project consisting of 48 1-bedroom units. PBV units are for persons aged 62 years and over. |

| PROPERTY NAME | NUMBER OF PROJECT-BASED VOUCHERS | | STATUS AT END OF PLAN YEAR** | RAD? | DESCRIPTION OF PROJECT |
|-----------------------------------|----------------------------------|--------|------------------------------|------|---|
| | Planned* | Actual | | | |
| Curtner SRO's | 6 | 6 | Leased/Issued | No | Senior project consisting of 6 SRO units. PBV units are for persons aged 62 years and over. |
| Cypress Gardens Senior Apartments | 124 | 124 | Leased/Issued | No | Senior project consisting of 124 units (111 1-bedroom and 13 2-bedroom). PBV units are for persons aged 55 years and over. |
| Dent Avenue Apartments | 4 | 4 | Leased/Issued | No | Family project consisting of 24 units (6 studio, 12 1-bedroom, and 5 2-bedroom). PBV units (2 SRO and 2 2-bedroom) are for families. |
| Donner Lofts – CHDR | 20 | 20 | Leased/Issued | No | Family project consisting of 101 units (92 studio and 9 1-bedroom). PBV units are for chronically homeless families. |
| Eklund Gardens I Apartments | 9 | 9 | Leased/Issued | No | Family project consisting of 10 2-bedroom units. PBV units are for families. |
| Eklund Gardens II Apartments | 6 | 6 | Leased/Issued | No | Family project consisting of 6 3-bedroom units. PBV units are for families. |
| Emerson North | 1 | 1 | Leased/Issued | No | Family project consisting of 6 studio units. PBV unit is for families. |
| Emerson South | 1 | 1 | Leased/Issued | No | Family project consisting of 6 studio units. PBV unit is for families. |
| Fair Oaks Senior Plaza | 93 | 93 | Leased/Issued | No | Senior project consisting of 124 units (11 1-bedroom and 14 2-bedroom). PBV units (80 1-bedroom and 13 2-bedroom) are for persons aged 62 years and over. |
| Fairlands SRO's | 5 | 5 | Leased/Issued | No | Senior project consisting of 5 SRO units. PBV units are for persons aged 60 years and over. |
| Ferne | 1 | 1 | Leased/Issued | No | Family project consisting of 16 2-bedroom units. PBV unit is for families. |
| Fuji Towers | 104 | 104 | Leased/Issued | No | Senior project consisting of 124 units (72 studio and 68 1-bedroom). PBV units (53 studio and 51 1-bedroom) are for persons aged 62 years and over. |
| Gish Apartments | 6 | 6 | Leased/Issued | No | Family project consisting of 35 units (9 studio, 14 2-bedroom, and 12 3-bedroom units). PBV units (3 studio and 3 2-bedroom) are for disabled families. |

| PROPERTY NAME | NUMBER OF PROJECT-BASED VOUCHERS | | STATUS AT END OF PLAN YEAR** | RAD? | DESCRIPTION OF PROJECT |
|----------------------------------|----------------------------------|--------|------------------------------|------|--|
| | Planned* | Actual | | | |
| Homestead SRO's | 4 | 4 | Leased/Issued | No | Senior project consisting of 4 SRO units. PBV units are for persons aged 60 years and over. |
| Julian Gardens | 9 | 9 | Leased/Issued | No | Family, new construction project, consisting of 9 3-bedroom units. PBV units are for families. |
| Kings Crossing Apartments | 25 | 25 | Leased/Issued | No | Family project consisting of 94 units (34 1-bedroom, 34 2-bedroom, and 26 3-bedroom units). PBV units (9 1-bedroom, 12 2-bedroom, and 4 3-bedroom) are for chronically homeless families. |
| Klee/Offenbach SRO's | 5 | 5 | Leased/Issued | No | Senior project consisting of 5 SRO units. PBV units are for persons aged 60 years and over. |
| Laurel Grove Family Apartments | 81 | 81 | Committed | No | Family, new construction project, consisting of 82 units (14 1-bedroom, 43 2-bedroom, and 25 3-bedroom units). PBV units are for families and to be identified special needs and/or chronically homeless families. |
| Lenzen Gardens Senior Apartments | 93 | 93 | Leased/Issued | No | Senior project consisting of 94 units (89 1-bedroom and 5 2-bedroom). PBV units (89 1-bedroom and 4 2-bedroom) are for persons aged 62 years and over. |
| Llewellyn Residence | 5 | 5 | Leased/Issued | No | Senior project consisting of 5 SRO units. PBV units are for persons aged 60 years and over. |
| Lucretia Gardens | 16 | 16 | Leased/Issued | No | Family project consisting of 16 3-bedroom units. PBV units are for families. |
| Maryce Freelen Place | 18 | 18 | Leased/Issued | No | Family project consisting of 74 units (24 1-bedroom, 26 2-bedroom, and 24 3-bedroom units). PBV units (2 1-bedroom, 6 2-bedroom, and 10 3-bedroom units) are for families. |
| Met South | 10 | 10 | Committed | No | Family, new construction project, consisting of 31 units (9 studios, 8 1-bedroom, 5 2-bedroom, and 9 3-bedroom). PBV units are for seniors and large families. |

| PROPERTY NAME | NUMBER OF PROJECT-BASED VOUCHERS | | STATUS AT END OF PLAN YEAR** | RAD? | DESCRIPTION OF PROJECT |
|-------------------------------------|----------------------------------|--------|------------------------------|------|--|
| | Planned* | Actual | | | |
| Miramar Apartments | 16 | 16 | Leased/Issued | No | Family project consisting of 16 units (8 1-bedroom and 8 2-bedroom). PBV units are for families. |
| Monticelli Apartments | 23 | 23 | Leased/Issued | No | Family and Senior project consisting of 52 units (25 1-bedroom and 27 3-bedroom). 14 1-bedroom PBV units are for persons aged 62 and over, and 9 3-bedroom PBV units are for families. |
| Morgan Hill Family – Scattered Site | 40 | 40 | Committed | No | Family, new construction project, consisting of 41 units (6 1-bedroom, 23 2-bedroom, and 12 3-bedroom units). PBV units are for large families, homeless and chronically homeless families |
| Moulton Plaza | 8 | 8 | Leased/Issued | No | Family project consisting of 66 units (30 1-bedroom, 26 2-bedroom, and 10 3-bedroom). PBV units (2 2-bedroom, and 6 3-bedroom) are for families. |
| Onizuka Crossing - CHDR | 13 | 13 | Leased/Issued | No | Family, new construction project, consisting of 58 units (27 1-bedroom, 11 2-bedroom, and 20 3-bedroom). PBV units (13 1-bedroom) are for chronically homeless families. |
| Opportunity Center | 55 | 55 | Leased/Issued | No | Family project consisting of 88 units (70 studios, 12 1-bedroom, and 6 2-bedroom). PBV units (48 studio, 3 1-bedroom, and 4 2-bedroom) are for chronically homeless families. |
| Park Avenue Senior Housing | 0 | 99 | Committed | No | Senior, new construction, 94 1-bedroom, 5 2-bedroom. PBV units are for persons aged 55 years and over. |
| Parkside Studios | 7 | 7 | Leased/Issued | No | Family project consisting of 59 units (58 studios and 1 1-bedroom). PBV units (7 studios) are for chronically homeless families. |

| PROPERTY NAME | NUMBER OF PROJECT-BASED VOUCHERS | | PROPERTY NAME | RAD? | DESCRIPTION OF PROJECT |
|----------------------------------|----------------------------------|--------|---------------|------|--|
| | Planned* | Actual | | | |
| Parkview Senior Apartments | 24 | 24 | Leased/Issued | No | Senior project consisting of 140 1-bedroom units. PBV (24 1-bedroom) units are for persons aged 55 years and over. |
| Poco Way Apartments | 10 | 10 | Leased/Issued | No | Family project consisting of 130 units (14 1-bedroom, 54 2-bedroom, 54 3-bedroom and 8 3-bedroom units). PBV units (3 1-bedroom, 3 2-bedroom, and 4 3-bedroom) are for families. |
| Pollard SRO's | 5 | 5 | Leased/Issued | No | Senior project consisting of 5 SRO units. PBV units are for persons aged 60 years and over. |
| Rincon Gardens Senior Apartments | 198 | 198 | Leased/Issued | No | Senior project consisting of 200 units (190 1-bedroom and 10 2-bedroom). PBV units (189 1-bedroom and 9 2-bedroom) are for persons aged 55 years and over. |
| San Antonio Place | 30 | 30 | Leased/Issued | No | Family project consisting of 120 units (118 studio, 1 1-bedroom, and 1 2-bedroom). 30 studio PBV units are for families |
| San Veron Park Apartments | 6 | 6 | Leased/Issued | No | Family project consisting of 32 units (10 2-bedroom, 15 3-bedroom, and 7 4-bedroom). PBV units (3 2-bedroom, 2 3-bedroom, and 1 4-bedroom) are for families |
| Santa Familia | 13 | 13 | Leased/Issued | No | Family project consisting of 79 units (30 1-bedroom, 23 2-bedroom, and 26 3-bedroom). PBV units (4 1-bedroom, 4 2-bedroom, and 5 3-bedroom) are for families |
| Second Street Studios | 134 | 134 | Committed | No | Family, new construction project, consisting of 135 units (128 studios, 6 1-bedroom, and 1 2-bedroom units). PBV units are for chronically homeless families. |
| Sobrato Apartments | 34 | 34 | Leased/Issued | No | 60-unit project consisting of 15 PBV units (7 2-bedroom and 8 3-bedroom) for families at risk of homelessness and 19 2-bedroom PBV units for chronically homeless families. |

| PROPERTY NAME | NUMBER OF PROJECT-BASED VOUCHERS | | STATUS AT END OF PLAN YEAR** | RAD? | DESCRIPTION OF PROJECT |
|----------------------------------|----------------------------------|--------|--|------|---|
| | Planned* | Actual | | | |
| Stevenson House | 9 | 9 | Leased/Issued | No | Senior project consisting of 120 studio and 1-bedroom units. PBV units (6 studio and 3 1-bedroom) are for persons aged 62 years and over. |
| Sunset Gardens Senior Apartments | 74 | 74 | Leased/Issued | No | Senior project consisting of 75 units (70 1-bedroom and 5 2-bedroom). PBV units (70 1-bedroom and 4 2-bedroom) are for persons aged 55 years and over. |
| Timberwood Apartments | 20 | 20 | Leased/Issued | No | Family project consisting of 286 units (84 studios, 164 1-bedroom, and 38 2-bedroom). PBV units (6 studio, 6 1-bedroom, and 8 2-bedroom) are for families. |
| Tully Gardens | 20 | 20 | Leased/Issued | No | 152-unit family project with 10 SRO PBV units for disabled families and 10 PBV units for chronically homeless families. |
| Tyrella Gardens Apartments | 13 | 13 | Leased/Issued | No | Family project consisting of 56 units (12 1-bedroom, 32 2-bedroom, and 12 3-bedroom). PBV units (4 1-bedroom, 6 2-bedroom, and 3 3-bedroom) are for families. |
| Ventura | 1 | 1 | Leased/Issued | No | Family project consisting of 12 1- and 2-bedroom units. One 2-bedroom PBV units are for families. |
| Ventura Apartments | 1 | 1 | Leased/Issued | No | Family project consisting of 12 1- and 2-bedroom units. One 2-bedroom PBV units are for families. |
| Village at Willow Glen | 20 | 20 | Leased/Issued | No | Senior project consisting of 133 units. PBV units (17 1-bedroom and 3 2-bedroom) are for persons aged 55 years and over. |
| Waldo | 3 | 3 | Leased/Issued | No | Family project consisting of six 1- and 2-bedroom units. Three 1-bedroom PBV units are for families. |
| Wheeler Manor | 10 | 10 | Leased/Issued | No | Senior project consisting of 111 1-bedroom units. PBV units (10 1-bedroom) are for persons aged 62 years and over. |
| Wolfe SRO's | 4 | 4 | Leased/Issued | No | Senior project consisting of 4 SRO units. PBV units are for persons aged 60 years and over. |
| 1769 | | 1884 | Planned/Actual Total Existing Project-Based Vouchers | | |

* Figures and text in the "Planned" column should match the corresponding Annual MTW Plan.

** Select "Status at the End of Plan Year" from: Committed, Leased/Issued

Please describe differences between the Planned and Actual Existing Number of Vouchers Project-Based:

Because of the change in report format, the 16 units at 1701 ECR and the 99 units at Park Avenue Senior Housing are listed under the "Actual Existing Project Based Vouchers" section of this report with zero planned units and not the "New Housing Choice Vouchers to be Project-Based During Fiscal Year" section of this MTW Report. The 115 combined units are the difference between the planned unit and actual unit totals.

iii. Actual Other Changes to MTW Housing Stock in the Plan Year

Examples of the types of other changes can include (but are not limited to): units held off-line due to relocation or substantial rehabilitation, local, non-traditional units to be acquired/developed, etc.

ACTUAL OTHER CHANGES TO MTW HOUSING STOCK IN THE PLAN YEAR

SCCHA had to demolish two units at the Buena Vista Mobile Home Park. The two units were located directly on the new lot line and needed to be moved prior to the close of escrow (9/29/17). One of the units was occupied by a family that now resides at a different unit at the park, and the other unit was vacant. Four units at Pinmore Gardens Apartments were held off-line for over 30 days due to three reasonable accommodation requests and one subsidy program housing inspection. There was no change to the actual housing stock in the plan year, however SCCHA completed two land acquisitions that should result in the ultimate development of new affordable housing units a Race Street property and property on East Santa Clara both in San Jose. The Race Street property will be the site of Alvarado Park Senior Housing and Bellarmino Place Family Housing. Alvarado Park Senior Housing will include 89 units of affordable senior housing and one manager unit. Bellarmino Place Family Housing will include 115 units of affordable family housing and one manager unit. SCCHA does not yet have an estimate on the number of housing units that the East Santa Clara Project will generate.

iv. General Description of All Actual Capital Expenditures During the Plan Year

Narrative general description of all actual capital expenditures of MTW funds during the Plan Year.

GENERAL DESCRIPTION OF ALL ACTUAL CAPITAL EXPENDITURES DURING THE PLAN YEAR

SCCHA spent \$12 million in MTW funds on the land purchase for Alvarado Park Senior Housing and Bellarmino Place Family Housing. SCCHA also spent \$31 million in MTW funds on the land purchase for the East Santa Clara Project and committed \$2.5 million in MTW funds for predevelopment activities. On June 28, 2018 \$24,184,282.17 in MTW funds were used to refinance the existing City of San Jose loans for Blossom River Apartments, Morrone Gardens Apartments, Pinmore Gardens Apartments, and Helzer Court Apartments.

B. LEASING INFORMATION

i. Actual Number of Households Served

Snapshot and unit month information on the number of households the MTW PHA actually served at the end of the Plan Year.

| NUMBER OF HOUSEHOLDS SERVED THROUGH: | NUMBER OF UNIT MONTHS OCCUPIED/LEASED* | | NUMBER OF HOUSEHOLDS SERVED** | |
|--|--|----------------|-------------------------------|---------------|
| | Planned^^ | Actual | Planned^^ | Actual |
| MTW Public Housing Units Leased | 48 | 48 | 4 | 4 |
| MTW Housing Choice Vouchers (HCV) Utilized | 200,052 | 190,403 | 16,671 | 15,867 |
| Local, Non-Traditional: Tenant-Based | 0 | 0 | 0 | 0 |
| Local, Non-Traditional: Property-Based | 3,024 | 9,660 | 252 | 805 |
| Local, Non-Traditional: Homeownership | 0 | 0 | 0 | 0 |
| Planned/Actual Totals | 203,124 | 200,111 | 16,927 | 16,676 |

* "Planned Number of Unit Months Occupied/Leased" is the total number of months the MTW PHA planned to have leased/occupied in each category throughout the full Plan Year (as shown in the Annual MTW Plan).

** "Planned Number of Households to be Served" is calculated by dividing the "Planned Number of Unit Months Occupied/Leased" by the number of months in the Plan Year (as shown in the Annual MTW Plan).

^^ Figures and text in the "Planned" column should match the corresponding Annual MTW Plan.

Please describe any differences between the planned and actual households served:

The rental market continues to be a challenge to leasing up of Housing Choice Vouchers, even during a softening market. SCCHA began financial analysis required to possibly increase voucher payment standards. SCCHA completed the purchase of the Buena Vista Mobile Home Park with 105 affordable units. SCCHA also completed the refinance of four properties under the Affordable Housing Preservation Fund (Activity 2012-4) on June 28, 2018. The four properties had 448 additional affordable units. These projects increased the number of households served by 553. The number of unit months occupied also increased due to the Affordable Housing Preservation Fund activities, because the refinance of the four properties did not occur until June 28, 2018, the impact was not as dramatic as it was under the number of household served.

| LOCAL, NON-TRADITIONAL CATEGORY | MTW ACTIVITY NAME/NUMBER | NUMBER OF UNIT MONTHS OCCUPIED/LEASED* | | NUMBER OF HOUSEHOLDS TO BE SERVED* | |
|---------------------------------|--|--|--------------|------------------------------------|------------|
| | | Planned^ | Actual | Planned^^ | Actual |
| Tenant-Based | Name/# | 0 | 0 | 0 | 0 |
| Property-Based | Create Affordable Housing Preservation Fund for SCCHA and Affiliate-Owned Properties / Activity 2012-4 | 3,024 | 9,660 | 252 | 805 |
| Homeownership | N/A | 0 | 0 | 0 | 0 |
| Planned/Actual Totals | | 3,024 | 4,339 | 252 | 805 |

* The sum of the figures provided should match the totals provided for each Local, Non-Traditional category in the previous table. Figures should be given by individual activity. Multiple entries may be made for each category if applicable.

^^ Figures and text in the "Planned" column should match the corresponding Annual MTW Plan.

| HOUSEHOLDS RECEIVING LOCAL, NON-TRADITIONAL SERVICES ONLY | AVERAGE NUMBER OF HOUSEHOLDS PER MONTH | TOTAL NUMBER OF HOUSEHOLDS IN THE PLAN YEAR |
|---|--|---|
| N/A | 0 | 0 |

ii. Discussion of Any Actual Issues/Solutions Related to Leasing

Discussion of any actual issues and solutions utilized in the MTW housing programs listed.

| HOUSING PROGRAM | DESCRIPTION OF ACTUAL LEASING ISSUES AND SOLUTIONS |
|----------------------------|--|
| MTW Public Housing | SCCHA did not have any issues related to the leasing of these units. |
| MTW Housing Choice Voucher | Despite a softening rental market, Santa Clara County continues to be one of the nation's most expensive rental markets. SCCHA has increased landlord outreach and created landlord incentives to attract and retain landlords in the HCV program. SCCHA continues its efforts to expand the availability of affordable housing in the area via the awarding of PBVs and use of both the affordable housing development and the affordable housing preservation funds. |
| Local, Non-Traditional | SCCHA encountered issues leasing three-bedroom units. The agencies new subsidy standards require at least five people in a family for three-bedroom unit eligibility. In an effort to lease the larger units, site-based waiting lists were updated to increase the number of applicants available. |

C. WAITING LIST INFORMATION

i. Actual Waiting List Information

Snapshot information on the actual status of MTW waiting lists at the end of the Plan Year. The "Description" column should detail the structure of the waiting list and the population(s) served.

| WAITING LIST NAME | DESCRIPTION | NUMBER OF HOUSEHOLDS ON WAITING LIST | WAITING LIST OPEN, PARTIALLY OPEN OR CLOSED | WAS THE WAITING LIST OPENED DURING THE PLAN YEAR |
|---|------------------|--------------------------------------|---|--|
| Federal MTW Public Housing Units | Site Based | 743 | Closed | No |
| Federal MTW Housing Choice Voucher Program | Program Specific | 4,791 | Closed | No |
| Project-Based Local, Non-Traditional MTW Housing Assistance Program | Site Based | 7,109 | Closed | No |

Please describe any duplication of applicants across waiting lists:

At the time of waiting list registration, applicants were able to select all three of SCCHA's waiting lists (HCV, PBV, and Mod Rehab). Applicants that are drawn from the HCV list are removed from all other SCCHA waiting lists.

ii. **Actual Changes to Waiting List in the Plan Year**

Please describe any actual changes to the organizational structure or policies of the waiting list(s), including any opening or closing of a waiting list, during the Plan Year.

| WAITING LIST NAME | DESCRIPTION OF ACTUAL CHANGES TO WAITING LIST |
|---|---|
| Federal MTW Public Housing Units | None |
| Federal MTW Housing Choice Voucher Program | None |
| Project-Based Local, Non-Traditional MTW Housing Assistance Program | None |

D. INFORMATION ON STATUTORY OBJECTIVES AND REQUIREMENTS

i. **75% of Families Assisted Are Very Low Income**

HUD will verify compliance with the statutory requirement that at least 75% of the households assisted by the MTW PHA are very low income for MTW public housing units and MTW HCVs through HUD systems. The MTW PHA should provide data for the actual families housed upon admission during the PHA's Plan Year reported in the "Local, Non-Traditional: Tenant-Based"; "Local, Non-Traditional: Property-Based"; and "Local, Non-Traditional: Homeownership" categories. Do not include households reported in the "Local, Non-Traditional Services Only" category.

| INCOME LEVEL | NUMBER OF LOCAL, NON-TRADITIONAL HOUSEHOLDS ADMITTED IN THE PLAN YEAR |
|--|---|
| 80%-50% Area Median Income | 12 |
| 49%-30% Area Median Income | 16 |
| Below 30% Area Median Income | 13 |
| Total Local, Non-Traditional Households Admitted | 41 |

ii. Maintain Comparable Mix

HUD will verify compliance with the statutory requirement that MTW PHAs continue to serve a comparable mix of families by family size by first assessing a baseline mix of family sizes served by the MTW PHA prior to entry into the MTW demonstration (or the closest date with available data) and compare that to the current mix of family sizes served during the Plan Year.

| BASELINE MIX OF FAMILY SIZES SERVED (upon entry to MTW) | | | | | |
|---|-------------------------------|---------------|----------------------|---------------------|-------------------------|
| FAMILY SIZE | OCCUPIED PUBLIC HOUSING UNITS | UTILIZED HCVs | NON-MTW ADJUSTMENTS* | BASELINE MIX NUMBER | BASELINE MIX PERCENTAGE |
| 1 Person | 418 | 5,109 | N/A | 5,527 | 33% |
| 2 Person | 107 | 3,767 | N/A | 3,874 | 23% |
| 3 Person | 12 | 2,919 | N/A | 2,931 | 18% |
| 4 Person | 13 | 2,152 | N/A | 2,165 | 13% |
| 5 Person | 3 | 1,181 | N/A | 1,184 | 7% |
| 6+ Person | 2 | 914 | N/A | 916 | 6% |
| TOTAL | 555 | 16,042 | N/A | 16,597 | 100% |

* "Non-MTW Adjustments" are defined as factors that are outside the control of the MTW PHA. An example of an acceptable "Non-MTW Adjustment" would include demographic changes in the community's overall population. If the MTW PHA includes "Non-MTW Adjustments," a thorough justification, including information substantiating the numbers given, should be included below.

Please describe the justification for any "Non-MTW Adjustments" given above:

N/A

| MIX OF FAMILY SIZES SERVED (in Plan Year) | | | | |
|---|---------------------------|---|--|---|
| FAMILY SIZE | BASELINE MIX PERCENTAGE** | NUMBER OF HOUSEHOLDS SERVED IN PLAN YEAR^ | PERCENTAGE OF HOUSEHOLDS SERVED IN PLAN YEAR^^ | PERCENTAGE CHANGE FROM BASELINE YEAR TO CURRENT PLAN YEAR |
| 1 Person | 33% | 6,729 | 42% | 9% |
| 2 Person | 23% | 4,000 | 25% | 2% |
| 3 Person | 18% | 2,100 | 13% | -5% |
| 4 Person | 13% | 1,514 | 9% | -4% |
| 5 Person | 7% | 943 | 6% | -1% |
| 6+ Person | 6% | 724 | 5% | -1% |
| TOTAL | 100% | 16,010 | 100% | |

** The "Baseline Mix Percentage" figures given in the "Mix of Family Sizes Served (in Plan Year)" table should match those in the column of the same name in the "Baseline Mix of Family Sizes Served (upon entry to MTW)" table.

^ The "Total" in the "Number of Households Served in Plan Year" column should match the "Actual Total" box in the "Actual Number of Households Served in the Plan Year" table in Section II.B.i of this Annual MTW Report.

^^ The percentages in this column should be calculated by dividing the number in the prior column for each family size by the "Total" number of households served in the Plan Year. These percentages will reflect adjustment to the mix of families served that are due to the decisions of the MTW PHA. Justification of percentages in the current Plan Year that vary by more than 5% from the Baseline Year must be provided below.

Please describe the justification for any variances of more than 5% between the Plan Year and Baseline Year:

During FY2018, most of the new families drawn from the waiting list and admitted to the program received a 1-bedroom voucher. Approximately one-third of one-bedroom vouchers issued went to families in the Chronically Homeless Direct Referral (CHDR). Approximately 84% of SCCHA's PBV portfolio is SRO, studio, or 1-bedroom units. The CHDR program assists chronically homeless individuals, groups that typically have a family size of one.

iii. Number of Households Transitioned to Self-Sufficiency in the Plan Year

Number of households, across MTW activities, that were transitioned to the MTW PHA's local definition of self-sufficiency during the Plan Year.

| MTW ACTIVITY NAME/NUMBER | NUMBER OF HOUSEHOLDS TRANSITIONED TO SELF SUFFICIENCY* | MTW PHA LOCAL DEFINITION OF SELF SUFFICIENCY |
|---|--|--|
| Reduced Frequency of Tenant Reexaminations/ 2009-1 | 156 | Households who leave assistance voluntarily, or after 180 days of zero Housing Assistance Payments |
| Expand Tenant Services at SCCHA- or Affiliate- owned Affordable Housing Properties / 2012-5 | 0 | SCCHA did not use this activity during the reporting year |
| | 0 | <i>(Households Duplicated Across MTW Activities)</i> |
| | 156 | Total Households Transitioned to Self Sufficiency |

* Figures should match the outcome reported where metric SS#8 is used in Section IV of this Annual MTW Report.

III. Proposed MTW Activities: HUD Approval Requested

All proposed MTW activities that were granted approval by HUD are reported in Section IV as 'Approved Activities'.

IV. Approved MTW Activities: HUD Approval Previously Granted

To date, SCCHA has had 41 activities approved by HUD. Of these, nine were closed out. The first four numbers of each activity signify the fiscal year in which each activity was approved. Except where indicated in the activity status explanation, SCCHA does not anticipate any changes or modifications to the activities during the Plan year.

A. Implemented Activities

ACTIVITY 2009-1: REDUCED FREQUENCY OF TENANT REEXAMINATIONS

PLAN YEAR APPROVED: FY2009

IMPLEMENTED: FY2009

AMENDED: FY2016

DESCRIPTION OF MTW ACTIVITY

This activity allows SCCHA to reduce the frequency of reexaminations of family income and composition from annually to once every three years for households with only fixed income sources and once every two years for all other households. SCCHA amended and re-proposed Activity 2009-1 in FY2015 to include its remaining four public housing units under the activity.

IMPACT OF MTW ACTIVITY

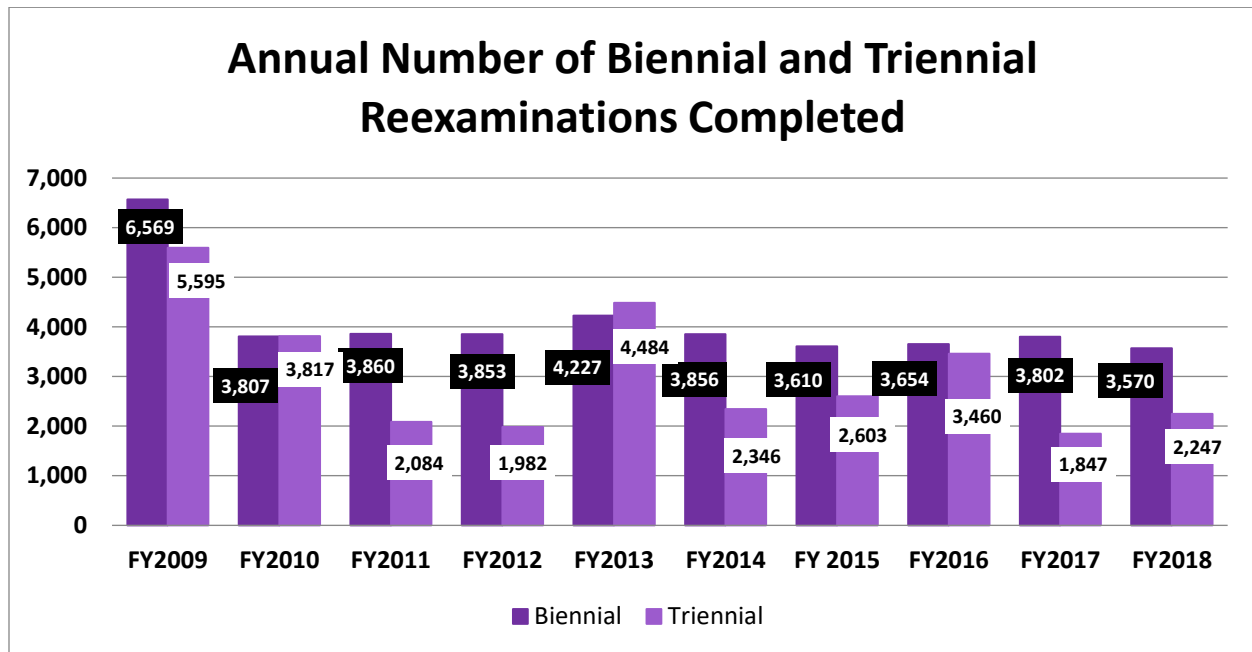
The labor hours saved as a result of this activity allows SCCHA to improve the assistance it provides to clients, stakeholders and partners, as SCCHA continually works to enhance and refine program efficiencies.

This activity also promotes economic self-sufficiency by creating an incentive for families to seek and retain employment. SCCHA's current interim reexamination policy allows families to retain the savings resulting from income increases between regular reexaminations. SCCHA will not apply the higher income, resulting in an increased tenant rent portion, until the next scheduled reexamination. Therefore, families have a longer period of time between regular reexaminations to enjoy the benefits of higher income.

UPDATE ON MTW ACTIVITY

In FY2018, 5,817 biennial and triennial reexaminations were completed, which demonstrates a 62% reduction from the baseline year. Although this activity is the basis for the reduction in completed regular reexaminations, SCCHA has in recent years experienced a continued decline in voucher utilization due to the high cost rental market and low rental unit vacancy rate in Santa Clara County. The dynamic rental market has reduced the success of SCCHA voucher holders and

has contributed to the slow attrition of the voucher utilization rate. The lower voucher utilization rate is an additional explanation for the higher than expected reduction in completed reexaminations.



SCCHA spent 23,974 labor hours when processing regular reexaminations in FY2018 which resulted in a labor savings of 37,956 hours as compared to the baseline year. The potential savings resulting from this reduction of workload is valued at approximately \$1,128,811 in total labor cost savings when compared to the established baseline. The baseline and benchmark total cost of task in dollars in the table below have been updated to reflect labor costs in FY2018.

IMPACT OF RENT REFORM ACTIVITY

This activity qualifies as a Rent Reform Initiative because it involves a change in the rent calculation method.

In FY2018, no participants requested a hardship exemption from this activity. However, if a hardship request is received it will be handled on a case by case basis.

STANDARD HUD METRICS

| Activity 2009-1: Reduced Frequency of Tenant Reexaminations | | | | |
|--|-------------|--------------|-------------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| CE #1: Agency Cost Savings | | | | |
| Total cost of task in dollars (decrease). | \$1,841,796 | \$920,898 | \$712,985 | Yes |
| CE #2: Staff Time Savings | | | | |
| Total time to complete the task in staff hours (decrease). | 61,930 | 30,965 | 23,974 | Yes |
| CE #5: Increase in Tenant Rent Share | | | | |
| Tenant rent share in dollars (increase). | \$8,065,166 | \$8,065,166* | \$5,505,877 | No |
| SS #1: Increase in Household Income | | | | |
| Average earned income of households affected by this policy in dollars (increase). | \$23,021 | \$23,021** | \$20,373 | No |
| SS # 3: Increase in Positive Outcomes in Employment Status | | | | |
| Number of Head of Households employed. | 4,317 | 4,317* | 4,268 | No |
| Number of Head of Households employed full-time. | N/A*** | | | |
| Number of Head of Households employed part-time. | | | | |
| Number of Head of Households enrolled in an educational program. | N/A**** | | | |
| Number of Head of Households enrolled in job training program. | N/A**** | | | |
| Number of Head of Households unemployed. | 436 | 436* | 239 | Yes |
| Number of Head of Households in Other Category (ex: receiving TANF, SSI, Child Support, General Assistance, etc.). | 15,211 | 15,211* | 11,850 | Yes |
| SS # 4: Households Removed from Temporary Assistance for Needy Families (TANF) | | | | |
| Number of households receiving TANF assistance (decrease). | 1,955 | 1,955* | 783 | Yes |
| SS #8: Households Transitioned to Self-Sufficiency | | | | |
| Number of households transitioned to self-sufficiency (increase).***** | 322 | 322** | 156 | No |

*SCCHA does not anticipate that this activity will increase the Agency's rental revenue, increase positive outcomes in employment status, or decrease the number of households on TANF assistance. The "tenant rent share in dollars" baseline amount is the total amount that households pay toward rent per month as of the beginning of FY2015.

**SCCHA does not expect that this activity will lead to households increasing their earned income/transitioning off assistance.

***SCCHA does not track whether employment is full-time or part-time.

****SCCHA does not track whether a Head of Household is enrolled in an educational program and/or a job training program.

*****Self-sufficiency is defined as households who leave assistance voluntarily, or after 180 days of zero Housing Assistance Payments.

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to the activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics during FY2018. The baselines and benchmarks have been updated to reflect the labor costs based upon compensation rates for FY2018 and changes in position titles. Tasks which were previously carried out by clerks are now carried out by Housing Assistants.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

In FY2018, the participants who were affected by this activity experienced a decrease in their tenant rent share to a total of \$5,505,877, which does not meet the benchmark for metric CE #5: Increase in Tenant Rent Share. However, the tenant rent portion did not decrease due to Activity #2009-1. The decrease in tenant rent share can be attributed to Activity #2014-4, which allows SCCHA to raise the Tenant's Rent Portion up to the 35% percent of their gross income. In FY2015, SCCHA's Board of Commissioners approved the reduction of the tenant portion from 35% to 32% of the tenant's gross income. The reduction of total tenant rent share can also be attributed to SCCHA's lower voucher utilization rates of participants housed in units.

For metrics SS #1: Increase in Household Income, SS #3: Increase in Positive Outcomes in Employment Status, and SS #8: Households Transitioned to Self-Sufficiency, SCCHA did not and does not expect this activity to lead to households increasing income, transitioning to self-sufficiency, or increases in employment.

ACTIVITY 2009-2: EXPEDITING INITIAL ELIGIBILITY INCOME VERIFICATION PROCESS

PLAN YEAR APPROVED: FY2009

IMPLEMENTED: FY2009

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

This activity allows SCCHA to extend the time period in which application documents are valid, from 60 days to 120 days.

IMPACT OF MTW ACTIVITY

Extending the documentation timeframe provides labor savings, both to applicants and to SCCHA. With this activity, applicants do not need to repeatedly provide updated income and asset documentation if the previously provided information becomes too old (dated older than 60 days) before voucher issuance. This activity was initially proposed to allow SCCHA to transfer residents affected by the public housing disposition (which occurred between 2007 and 2011) to the Project Based Voucher program with no lapse in assistance but has been helpful in saving time during other times of increased new admissions when there might be delays between determining initial eligibility and voucher issuance.

UPDATE ON MTW ACTIVITY

During FY2018, SCCHA utilized the extended 120-day document submission window for the voucher issuance of 131 applicants. If this activity was removed, the labor time related to requesting updated income verification for dated documents would cost the agency a minimum of \$1,203 annually. SCCHA met all the benchmarks in this activity.

STANDARD HUD METRICS

| ACTIVITY 2009-2: EXPEDITING THE INITIAL ELIGIBILITY INCOME VERIFICATION PROCESS | | | | |
|---|----------|-----------|---------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| CE #1: Agency Cost Savings | | | | |
| Total cost of task in dollars (decrease). | \$1,203 | \$0 | \$0 | Yes |
| CE #2: Staff Time Savings | | | | |
| Total time to complete the task in staff hours (decrease). | 30 | 0 | 0 | Yes |

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2018.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The agency did not experience any challenges in meeting this activities benchmarks.

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

PLAN YEAR APPROVED: FY2009

IMPLEMENTED: FY2009

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

The Chronically Homeless Direct Referral (CHDR) program is a locally-designed program launched in FY2009 that serves the chronically homeless population in Santa Clara County. Following a housing-first model, chronically homeless individuals and families not on the voucher waiting list are referred for tenant-based housing assistance and connected to case management services. These services can include assistance with the initial process of securing housing, as well as various referrals and services to help the families maintain housing stability and achieve reintegration into the community. Since the program's inception, SCCHA has worked closely with community partners and service providers to continually adapt the program design to address ongoing local needs.

IMPACT OF MTW ACTIVITY

This activity increases housing choices and mobility by assisting the homeless population through a more targeted and efficient process than the standard voucher waiting list system. CHDR program participants are directly referred from the streets and connected to supportive services. In September 2016, SCCHA approved the issuance of an additional 500 vouchers to the chronically homeless population in Santa Clara County. With the 500 new vouchers, SCCHA has now committed 800 vouchers to this activity.

UPDATE ON MTW ACTIVITY

During FY2018 SCCHA issued 98 additional CHDR vouchers. SCCHA has now issued 322 of the 500 additional vouchers allocated to the activity in FY2017. 89 voucher recipients found housing by the end of the FY2018. SCCHA did not meet the current benchmarks for Metrics HC #5 and HC #7 because 9 households who received vouchers during FY2018 let the terms, including extensions, of their vouchers expire without finding housing units and 46 recipients of the newly issued vouchers continue to look for housing.

STANDARD HUD METRICS

| Activity 2009-5: Exploring New Housing Opportunities for the Chronically Homeless | | | | |
|---|----------|---|---------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| HC #3: Decrease in Wait List Time | | | | |
| Average applicant time on wait list in months (decrease). | 87 | 0 | 0 | Yes |
| HC #5: Increase in Resident Mobility | | | | |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase). | 0 | 800 (with an annual 3% attrition rate) | 536 | No |
| HC #7: Households Assisted by Services that Increase Housing Choice | | | | |
| Number of households receiving services aimed to increase housing choice (increase). | 0 | 800 once fully leased up (with an annual 3% attrition rate) | 536 | No |

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2018.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The benchmarks for metrics HC#5 and HC#7 were not met because all CHDR vouchers have not been issued yet, and some of the issued vouchers expired before the recipient was able to find housing. SCCCHA engaged the services of a housing search assistance provider to increase voucher recipient housing search success rates.

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

PLAN YEAR APPROVED: FY2009

IMPLEMENTED: FY2010

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

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

IMPACT OF MTW ACTIVITY

This activity was designed to reduce the necessary outreach to fill a vacant PBV unit from the SCCHA waiting list, thus supporting program cost effectiveness. It also has the added benefit of increasing owner satisfaction with the PBV program by filling vacancies more expeditiously. In the first three years of implementation, the activity was highly successful, reducing the average number of days a PBV unit is vacant by 25 days.

UPDATE ON MTW ACTIVITY

There were 51 PBV vacancies lasting longer than 30 days in FY2018. SCCHA saved approximately 15 minutes per vacancy by allowing owner referrals after 30 days of unsuccessful attempts by owners to fill their vacancies through SCCHA's referrals. This amounted to a total labor savings of 25.5 hours this year resulting in labor cost savings of approximately \$725. The total cost of task in dollars has changed to \$14 per transaction because the task (sending waiting list referrals for a vacant PBV unit) was originally a manager's responsibility, was for several years done by a housing compliance analyst, and since FY2016 has been completed by an administrative assistant. The baseline and benchmark total cost of task in dollars in the table below have been updated to reflect labor costs in FY2018. SCCHA met the updated benchmarks for this activity.

STANDARD HUD METRICS

| Activity 2009-8: 30-Day Referral Process for Project-Based Vacancies | | | | |
|--|----------|------------|------------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| CE #1: Agency Cost Savings | | | | |
| Total cost of task in dollars (decrease). | \$2,295 | \$1,530 | \$725 | Yes |
| CE #2: Staff Time Savings | | | | |
| Total time to complete the task in staff hours (decrease). | 38 hours | 25.5 hours | 25.5 hours | Yes |

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics FY2018. The baselines and benchmarks have been updated to reflect the labor costs based upon compensation rates for FY2018 and to reflect the task being performed by a different position than when the activity was originally proposed. As explained above, the task was originally completed by a manager and is now completed by an administrative assistant.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The agency did not experience any challenges meeting the activity's benchmarks.

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

PLAN YEAR APPROVED: FY2009

IMPLEMENTED: FY2010

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

This activity allows SCCHA to use the Tenant Income Certification (TIC) form required under the LIHTC Program as verification of the family's income and assets, thereby streamlining the income and asset verification process for applicants for PBV units at tax credit properties. SCCHA staff currently uses property-owner TIC documentation to verify applicant income and assets, saving staff time to gather and calculate annual household income.

Owners of project-based units that utilize tax credits must comply with Federal LIHTC regulations. LIHTC requires nearly identical information for verification of income and assets as the Housing Choice Voucher regulations when determining and recertifying a family's income eligibility.

Prior to the implementation of this activity, when properties utilized both tax credit and project-based voucher (PBV) subsidy, SCCHA and the PBV owner would duplicate their efforts in the income and asset verification process. This created redundant demands on the families each year for the same documentation to two different parties, caused SCCHA staff to spend extra time verifying income and assets that were already verified by the unit owner, and unnecessarily delayed processing new applicants when filling PBV vacancies.

IMPACT OF MTW ACTIVITY

SCCHA staff used property-owner TIC documentation to verify applicant income and assets. Using TIC documentation saves 50 minutes of staff time on processing for each of the new admissions, resulting in a labor time reduction of 22% for each transaction.

Additionally, the length of time to process an application was reduced from an average of 46 days to an average of 23 days. Besides providing a benefit to applicants, this activity also reduces SCCHA's administrative burden and achieves greater cost effectiveness in federal spending.

UPDATE ON MTW ACTIVITY

In FY2018, SCCHA completed 102 initial certifications, each taking approximately three hours. Through this activity, SCCHA saved approximately 85 staff hours to gather and calculate the annual household income of the 102 families and reduced the total cost of verification of income and assets by \$2,357.

The Agency has saved 879 total labor hours since this activity's implementation by using the owner-provided TIC to verify a PBV applicant family's income and assets, resulting in a total direct labor savings of \$20,848. Annual savings continue to vary year-by-year, depending on the number of applicants moving into LIHTC properties.

| Activity 2009-9 Aggregate Savings | | | | | | |
|--|-----------------|---------|---------|---------|---------|----------|
| Metrics | FY2010 - FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | Totals |
| # of Tax-Credit New Admissions Completed Using Owner-Provided TIC. | 550 | 108 | 117 | 178 | 102 | 1055 |
| # of Labor Hours Saved. | 458 | 90 | 98 | 148 | 85 | 879 |
| Labor Dollars Saved. | \$10,572 | \$2,073 | \$2,245 | \$3,637 | \$2,357 | \$20,848 |

STANDARD HUD METRICS

| Activity 2009- 9: Utilization of Low Income Housing Tax Credit (LIHTC) Tenant Income Certification (TIC) for Income and Asset Verification | | | | |
|--|-----------|-----------|-----------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| CE #1: Agency Cost Savings | | | | |
| Total cost of task in dollars (decrease). | \$10,841 | \$8,485 | \$8,484 | Yes |
| CE #2: Staff Time Savings | | | | |
| Total time to complete the task in staff hours (decrease). | 391 hours | 306 hours | 306 hours | Yes |

ACTUAL NON-SIGNIFICANT CHANGES

There are no non-significant changes to this activity in FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics during FY2018. Wage data used to calculate the total cost of the task and labor dollars saved was updated to account for FY2018 wage increases. The new baseline and benchmark are based on the same amount of time required to complete the task measured.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The agency did not experience any challenges in meeting this activity's benchmarks.

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

PLAN YEAR APPROVED: FY2009

IMPLEMENTED: FY2010

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

This MTW activity allows SCCHA to project-base more than 25% of the units in existing multi-family complexes without requiring participation in supportive services. Although participation is not mandatory, services must be provided and families must be made aware of and encouraged to participate in these services. This MTW activity increases housing choices for low-income families by making the units more attractive to families who do not want or need supportive services. The activity continues to reduce SCCHA's administrative burden by removing the required compliance monitoring for families living in the "excepted" units (i.e. units above the 25% cap).

IMPACT OF MTW ACTIVITY

SCCHA saves approximately one staff labor hour per unit annually by eliminating the required quarterly compliance reviews to ensure that families are using supportive services.

UPDATE ON MTW ACTIVITY

In FY2018, SCCHA project-based 19 additional units to a 60-total-unit project (Sobrato Apartments) located in Gilroy, California, which already had 15 PBV units in place. Therefore, this activity was utilized to project-base the 19 PBV units which exceeded the 25% per project cap. Supportive services continued to be available on-site for the earlier project-based family projects throughout all of FY2018. SCCHA previously project-based 36 units in the first four projects which utilized this activity (Eklund I Apartments, Miramar Way, Julian Gardens, and Lucretia Gardens), and 52 units in FY2017 (19 from Casa de Novo and 33 from the Opportunity Center).

STANDARD HUD METRICS

| Activity 2009-11: Project Base 100% of Units in Family Projects | | | | |
|---|----------|-----------|---------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| HC #4: Displacement Prevention | | | | |
| Number of households at or below 80% AMI that would lose assistance or need to move (decrease). These units serve families. | 107 | 0 | 0 | Yes |

ACTUAL NON-SIGNIFICANT CHANGES

There are no non-significant changes to this activity in FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines, or benchmarks during FY2018. The baseline was updated to 97 from last year's 88 to account for the additional PBV units added under this activity.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The agency did not experience any challenges meeting this activity's benchmarks.

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

PLAN YEAR APPROVED: FY2009

IMPLEMENTED: FY2009

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

In 1976, SCCHA signed an agreement to administer housing assistance programs on behalf of both the City of San José and the County of Santa Clara. In accordance with this agreement, SCCHA is allowed to operate under one Annual Plan, one Administrative Plan, and one MTW plan for both housing authorities. In 2009, this activity was implemented to allow SCCHA to operate using one Waiting List for both housing authorities.

This activity applies to a joint waiting list of the Housing Choice Voucher (HCV) and the Project-Based Voucher (PBV) Programs.

IMPACT OF MTW ACTIVITY

This activity allows SCCHA to increase cost effectiveness in federal expenditures. The implementation of a combined Waiting List for the City and County HCV programs also increases housing choices for low-income families who now have the ability to rent throughout Santa Clara County.

UPDATE ON MTW ACTIVITY

As indicated in the table below, the value of the labor time saved has remained consistent with the benchmark. If this activity was removed, the labor time related to administering two waiting lists would cost the Agency a minimum of \$8,325 annually.

STANDARD HUD METRICS

| Activity 2009-13: Combined Waiting List for the County of Santa Clara and the City of San José | | | | |
|--|----------|-----------|---------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| CE #1: Agency Cost Savings | | | | |
| Total cost of task in dollars (decrease). | \$8,325 | \$0 | \$0 | Yes |
| CE #2: Staff Time Savings | | | | |
| Total time to complete the task in staff hours (decrease). | 380 | 0 | 0 | Yes |

ACTUAL NON-SIGNIFICANT CHANGES

There are no non-significant changes to this activity for FY2018 as the waitlist is currently closed.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no actual changes to metrics or data collection.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The agency did not experience any challenges meeting this activity's benchmarks.

2009-14: PAYMENT STANDARD CHANGES BETWEEN REGULAR REEXAMINATIONS

PLAN YEAR APPROVED: FY2009

IMPLEMENTED: FY2010

AMENDED: FY2014

DESCRIPTION OF MTW ACTIVITY

Current HUD regulations require that if a family's unit (voucher) size changes between regular reexaminations, the new voucher size and corresponding payment standard will be effective when the family moves or at the first regular reexamination following the change, whichever comes first. Given the reduction in frequency of regular reexaminations for SCCHA's MTW families, a program participant who reports a family composition change that decreases its voucher size between regular reexaminations may be over-housed up to three years and cause SCCHA to pay a higher portion of Housing Assistance Payment (HAP).

Under this activity, SCCHA immediately implements any changes in voucher size that occur between regular reexaminations as a result of family composition changes or subsidy size policy changes. SCCHA continues to follow HUD regulations by using the lower of the payment standard for the family's new voucher size or the payment standard for the dwelling unit when processing the interim reexamination. If the application of the new payment standard results in a decrease of the tenant's rent portion, the interim reexamination will be effective on the first of the month following the change. If the application of the new payment standard results in an increase of the tenant's rent portion, the interim reexamination will be effective on the first of the month following a 30-day notice to the tenant and owner.

IMPACT OF MTW ACTIVITY

This activity allows SCCHA to effectuate an immediate change in voucher size and its corresponding payment standard when a change in family composition or a change in SCCHA's voucher size policy occurs between regular reexaminations. SCCHA realizes substantial HAP cost savings, which were anticipated by allowing new payment standards to take effect at the time of interim reexaminations instead of regular reexaminations.

UPDATE ON MTW ACTIVITY

SCCHA processed 313 interim reexaminations resulting from a change in family composition. SCCHA did not meet its cost savings benchmark with a total of \$282,312,497 in HAP payments for FY2018. SCCHA's HAP payments increased due to the continued increase in Bay Area rental market rents, combined with a marked increase in the number of owner-requested rent adjustments.

The metric chosen for this activity, Cost Effectiveness #1: Agency Cost Savings, was selected

because the activity's implementation was designed to immediately realize any potential cost savings when a change in family composition or a change in SCCHA's voucher size policy occurs

However, SCCHA's HAP payments increased due to the continued increase in Bay Area rental market rents, combined with a marked increase in the number of owner-requested rent adjustments and the commencement of MTW Activity 2017-3 Landlord Initiatives that provides an additional HAP payment for landlords who re-lease a unit to a new Section 8 HCV tenant between regular reexaminations.

STANDARD HUD METRICS

| ACTIVITY 2009-14: PAYMENT STANDARD CHANGES BETWEEN REGULAR REEXAMINATIONS | | | | |
|---|---------------|---------------|---------------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| CE #1: Agency Cost Savings | | | | |
| Total cost of task in dollars (decrease).* | \$246,302,481 | \$246,059,768 | \$282,312,497 | No |

*This metric reflects a slight HAP increase of \$36,252,729. HAP changes are a result of an increase in the Bay Area rental market rents, combined with a marked increase in the number of owner-requested rent adjustments.

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2018.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The challenges in achieving this activity's benchmark savings are a result of the Bay Area's expensive rental market coupled with a lower than usual inventory of affordable housing. In addition, there has been a continued increase in the number of owner-requested rent adjustments seeking the maximum rent allowed under the payment standard for their unit size.

Vacancy payments to landlords under Activity 2017-3, Landlord Initiatives, has also contributed to the increase in HAP payments made in FY2018. This incentive provides landlords with an additional HAP payment for re-leasing their unit to a new Section 8 HCV tenant.

Absent a downturn in the rental market and a significant increase in affordable housing, the possibility of lowering the amount of HAP payments made may not occur as this activity's outcome is somewhat dependent on the fluctuation of the rental market. SCCHA continues to work on increasing the supply of affordable housing via MTW activities 2012-3 and 2012-4 and by project basing vouchers.

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

PLAN YEAR APPROVED: FY2010

IMPLEMENTED: FY2010

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

With this activity, SCCHA no longer calculates and includes income received from family assets under \$50,000. Since implementation in FY2010, SCCHA has met the statutory objective of reducing administrative costs and has encouraged families to increase their savings. SCCHA continues to realize savings in staff hours and cost of tasks.

IMPACT OF MTW ACTIVITY

This activity addresses the statutory objective of reducing administrative costs and may help families move toward economic self-sufficiency by encouraging saving. The majority of participant families have assets under \$50,000.

UPDATE ON MTW ACTIVITY

In FY2018, 4,691 MTW families with assets under \$50,000 had income calculations completed. With an approximate 10 minutes per transaction labor savings by no longer calculating asset income for these families, a total labor savings of 782 hours was realized. As a result, the Agency saved \$59,107 in FY2018.

SCCHA has saved a total of 6,956 labor hours since the activity's implementation by eliminating the calculation of income from family assets under \$50,000. The number of families reporting assets may vary from year to year and therefore the amount of savings will vary each year.

This is a rent reform activity, however, SCCHA received no hardship requests in FY2018.

Activity 2010-2: Aggregate Savings

| Metrics | FY2010 –FY2014 | FY2015 | FY2016 | FY2017 | FY2018 | Totals |
|---|-------------------|----------|----------|----------|----------|-----------|
| # of transactions completed for families reporting assets under \$50,000. | 23,098 | 4,496 | 5,156 | 4,282 | 4,691 | 41,723 |
| # of Labor Hours Saved. | 3851 | 750 | 859 | 714 | 782 | 6,956 |
| Labor Cost Saved. | \$28,997 | \$56,650 | \$64,966 | \$53,953 | \$59,107 | \$263,673 |

STANDARD HUD METRICS

| Activity 2010-2: Excluding Asset Income from Income Calculations for Families with Assets Under \$50,000 | | | | |
|--|--------------|--------------|--------------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| CE #1: Agency Cost Savings | | | | |
| Total cost of task in dollars (decrease). | \$410,556 | \$351,450 | \$351,450 | Yes |
| CE #2: Staff Time Savings | | | | |
| Total time to complete the task in staff hours (decrease). | 17,982 hours | 17,200 hours | 17,200 hours | Yes |
| CE #3: Decrease in Error Rate of Task Execution | | | | |
| Average error rate in completing a task as a percentage (decrease). | 0% | 0% | 0% | Yes |

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2018.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The agency did not experience any challenges in meeting the benchmarks for this activity.

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

PLAN YEAR APPROVED: FY2010

IMPLEMENTED: FY2010

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

This activity allows the application of the current payment standard (if the payment standard has increased since the family's last regular reexamination) to the rental assistance calculation at interim reexaminations. Since its implementation in FY2010, SCCHA has met the statutory objective of reducing administrative costs and increasing housing choice for low-income families. SCCHA has realized savings in staff hours and costs of tasks.

IMPACT OF MTW ACTIVITY

By using a higher payment standard at interim reexaminations, this activity lessens the rent burden for some MTW families and thereby increases their housing choices by helping maintain their unit's affordability. This activity was also intended to reduce administrative costs by reducing staff time required to process family moves into a less expensive unit. SCCHA last raised its payment standards on January 1, 2017 and they have remained at that level since that time. The increase in payment standard benefited MTW families whose approved gross rents exceed the maximum subsidy payment standards for their units, allowing them to maintain their unit's affordability. As a result, those families did not have to move into a less expensive unit.

UPDATE ON MTW ACTIVITY

SCCHA last utilized this activity in FY2017 as a result of an increase in payment standards on January 1, 2017. SCCHA did not increase payment standards in FY2018.

In FY2018, there were 1,958 MTW families who had an increased payment standard applied at an interim reexamination. Of those families who had an increased payment standard, 949 had a rent burden (defined as paying more than 32% of their income towards the rent) prior to SCCHA raising the payment standards. The number of families with rent burden decreased to 123 after the application of the increases in the payment standards.

In addition, 5 families who had an increased payment standard moved from their unit, of which 3 had a rent burden when they moved. By using the higher payment standard, SCCHA was able to decrease the number of families paying more than 32% of their income towards the rent which may have contributed to the decrease in the number of families who moved with rent burden.

SCCHA spent 7 labor hours with a total cost of \$190 processing move outs for the 3 families who had a rent burden when they moved. SCCHA also realized cost savings of at least \$37,783 and

time savings of 1,386 labor hours in not processing moves for all the families who benefitted from this activity. The lack of affordable and suitable housing units in the area served as a discouragement for families move despite the increases in the payment standards. The number of families with rent burden who moved has significantly dropped since this activity's implementation. The Housing Authority attributes the increase in average HAP for families having interim reexaminations in FY2018 to the higher payment standards and to rising rental prices.

STANDARD HUD METRICS

| ACTIVITY 2010-3: APPLYING CURRENT PAYMENT STANDARDS AT INTERIM REEXAMINATIONS | | | | |
|---|----------|-----------|---------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| CE #1: Agency Cost Savings | | | | |
| Total cost of task in dollars (decrease). | \$37,973 | \$30,368 | \$190 | Yes |
| CE #2: Staff Time Savings | | | | |
| Total time to complete the task in staff hours (decrease). | 1,393 | 1,114 | 7 | Yes |

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2018.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

There were no challenges in achieving this activity's benchmarks.

ACTIVITY 2010-4: ALLOCATION PROJECT-BASED VOUCHERS TO SCCHA-OWNED PROJECTS WITHOUT COMPETITION.

PLAN YEAR APPROVED: FY2010

IMPLEMENTED: FY2011

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

This activity allows SCCHA to select SCCHA-owned housing sites for project-based assistance without a competitive process, saving staff time through labor hours and increased costs associated with the competitive process. With the closing of Activity 2009-10 (Selection of SCCHA-owned public housing projects for PBV without competition) in FY2015, SCCHA will utilize this activity as needed in the future.

IMPACT OF MTW ACTIVITY

This activity eliminates the lengthy three-month competitive project-basing process for SCCHA-owned properties, saving staff time, labor costs, and administrative costs. SCCHA can accelerate its production and/or preservation of affordable housing, thereby increasing housing options for low-income families.

UPDATE ON MTW ACTIVITY

No project-based vouchers were allocated to SCCHA owned properties in FY2018. Staff will continue to monitor this activity and will update when project-based vouchers are assigned to a SCCHA owned property.

STANDARD HUD METRICS

| Activity 2010-4: Allocating Project-Based Vouchers to SCCHA-Owned Projects Without Competition | | | | |
|--|----------|-----------|---------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| CE #1: Agency Cost Savings | | | | |
| Total cost of task in dollars (decrease). | \$8,578 | \$0 | \$0 | Yes |
| CE #2: Staff Time Savings | | | | |
| Total time to complete the task in staff hours (decrease). | 158 | 0 | 0 | Yes |

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2018.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The agency did not experience any challenges in meeting the benchmarks for this activity.

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

PLAN YEAR APPROVED: FY2011

IMPLEMENTED: FY2011

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

This activity, implemented in FY2011 to allow SCCHA to approve any requests for an exception payment standard above 110% of the published Fair Market Rent (FMR), as a reasonable accommodation for persons with disabilities. Under current HUD regulations, HUD approves the requests for an exception standard above 110% of the published FMRs. The length of time it takes for HUD to review and approve each exception payment standard request affects the tenant's opportunities to secure an accessible unit expeditiously.

IMPACT OF MTW ACTIVITY

This activity improves SCCHA's responsiveness to the needs of persons with disabilities who may have special housing requirements by relegating from HUD the approval process of an exception payment standard as a reasonable accommodation. As a result of the accelerated approval process of an exception to the payment standard, families with members that have disabilities have increased housing choices.

UPDATE ON MTW ACTIVITY

During FY2018 there were no approvals for exception payment standard above 110% of FMRs.

Since implementation, SCCHA authorized exception payment standards above 110% of the FMR as a reasonable accommodation for seven households. As a result, those seven households are no longer at risk of losing their assistance and were able to move to a more suitable unit that accommodated their special housing needs.

STANDARD HUD METRICS

| Activity 2011-1: Streamlined Approval Process for Exception Payment Standard for Reasonable Accommodation | | | | |
|---|----------|-----------|---------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| HC #4: Displacement Prevention | | | | |
| Number of households at or below 80% AMI that would lose assistance or need to move (decrease). | 3 | 0 | 0 | Yes |
| HC #5: Increase in Resident Mobility | | | | |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase). | 0 | 3 | 7 | Yes |

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2018.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The agency did not experience any challenges in meeting the benchmarks for this activity.

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

PLAN YEAR APPROVED: FY2011

IMPLEMENTED: FY2011

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

This activity waives the regulatory requirement in which HUD must approve a designated, qualified independent agency to conduct Housing Quality Standards (HQS) inspections and rent reasonableness services for SCCHA-owned units. The qualifying independent agency conducts both initial and regularly scheduled HQS inspections, as well as rent reasonable services for initial contracts and requested rent adjustments. This MTW activity also allows SCCHA to waive the second part of the HUD regulation requiring the independent agency to supply copies of each HQS inspection report and rent reasonableness determination to the HUD field office.

IMPACT OF MTW ACTIVITY

SCCHA continues to benefit from the reduced costs and administrative streamlining related to this activity. The reduction in costs is achieved by eliminating unnecessary copying and mailing of inspection reports to HUD.

UPDATE ON MTW ACTIVITY

SCCHA has continued to work with its third-party inspection and rent reasonableness vendor for services related to all SCCHA-owned or affiliated units. Savings for this activity are ongoing.

STANDARD HUD METRICS

| Activity 2011-2: Simplify Requirements Regarding Third-party Inspections and Rent Services | | | | |
|--|----------|-----------|---------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| CE #1: Agency Cost Savings | | | | |
| Total cost of task in dollars (decrease). | \$1,621 | \$0 | \$0 | Yes |
| CE #2: Staff Time Savings | | | | |
| Total time to complete the task in staff hours (decrease). | 45 | 0 | 0 | Yes |

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2018.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The agency did not experience any challenges meeting this activity's benchmarks.

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

PLAN YEAR APPROVED: FY2012

IMPLEMENTED: FY2015

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

This activity requires a Project Based Voucher (PBV) family to remain two full years in the PBV program before becoming eligible to request continued assistance with a tenant-based voucher when moving. This requirement has contributed to the occupancy stability in the PBV program and to a modest decrease in the number of PBV vacancies (in comparison to the total of PBV units) and associated turnover costs, including vacancy payments. The activity does not apply to families: (1) with an approved reasonable accommodation that requires them to move, (2) who experience a change in family composition that affects unit size, (3) who present other compelling reasons to move out, or (4) who request a move under the Violence Against Women Act (VAWA).

SCCHA has created its own PBV Statement of Family Responsibility and PBV Tenancy Addendum forms to replace the HUD forms. SCCHA versions remain the same as the HUD versions except for the stipulation on the two-year PBV residency requirement.

IMPACT OF MTW ACTIVITY

This activity addresses the statutory objective of achieving greater cost effectiveness in federal expenditures by reducing Agency costs and staff time spent on processing turnover in PBV units.

UPDATE ON MTW ACTIVITY

In FY2018, 36 eligible PBV families moved and received continued housing assistance through tenant-based vouchers. SCCHA saved approximately 78 hours in labor hours this year resulting in labor cost savings of \$3,781. Tenant-based vouchers were available for eligible PBV families wanting to move with continued housing assistance during FY2018. However, the lack of affordable and suitable housing units in the area continues to serve as a discouragement for eligible PBV families to move.

STANDARD HUD METRICS

| Activity 2012-2: Minimum Two-year Occupancy in Project-based Unit | | | | |
|---|----------|-----------|---------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| CE # 1: Agency Cost Savings | | | | |
| Total cost of task in dollars (decrease). | \$5,328 | \$2,664 | \$1,547 | Yes |
| CE # 2: Staff Time Savings | | | | |
| Total time to complete the task in staff hours (decrease). | 110 | 55 | 32 | Yes |

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There was no change to the activity's metrics. Wage data used to calculate the baseline and benchmark was updated to account for wage increases in the last fiscal year.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The agency did not experience any challenges meeting this activity's benchmarks.

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

PLAN YEAR APPROVED: FY2012

IMPLEMENTED: FY2012

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

This activity implemented in FY2012 allows SCCCHA to use MTW funds to continue to seek and pursue opportunities to build new rental housing units. It also allows for the acquisition of existing land and/or units for new construction or rehabilitation.

With the implementation of this activity, SCCCHA's goals are to increase the supply of quality rental housing, and to serve a diverse range of resident populations many of which have special needs or are vulnerable populations.

IMPACT OF MTW ACTIVITY

The exceptionally high cost of land and high market rents in Santa Clara County create a special challenge for developers of affordable housing. The situation has worsened in recent years due to a decrease in federal, state, and local funds for affordable housing. SCCCHA created this activity to generate more development activities throughout Santa Clara County. The activity was anticipated to lead to the development or rehabilitation of up to 250 units over five years from FY2015 to FY2019, with affordability for low-income tenants and with an affordability restriction on the properties of up to 55 years.

MTW ACTIVITY UPDATE

During this fiscal year, SCCCHA continued construction on the adjacent Laurel Grove Family Apartments (Laurel Grove) and Park Avenue Senior Apartments (Park Avenue), previously referred to as the 777 Park Avenue Housing Project. Laurel Grove includes 81 affordable family units and one manager unit, and Park Avenue includes 99 affordable senior units and one manager unit. Completion for Laurel Grove is estimated for late summer 2018 and completion for Park Avenue is estimated for early 2020. Combined, these projects have leveraged a total of nearly \$80 million in development financing.

In June 2018, SCCCHA purchased several parcels of assembled land in San Jose. SCCCHA intends to develop two new construction projects on the site; Alvarado Park Senior Housing (Alvarado Park) and Bellarmino Place Family Housing (Bellarmino Place). Alvarado Park will include 89 units of affordable senior housing and one manager unit. Bellarmino Place will include 115 units of affordable family housing and one manager unit. SCCCHA used \$12 million of MTW funds to purchase the property. These projects are anticipated to leverage tens of millions of dollars in

development financing, however, because of the early point in development of these projects no budgets have been set.

In July of 2017, SCCHA used approximately \$31 million in MTW funds to purchase 6.5 acres of vacant property at East Santa Clara Street and 14th Street in downtown San Jose. SCCHA plans to embark in a master planning effort to allow for the development of a new SCCHA office and other auxiliary uses on the site. In June 2018, the SCCHA Board of Commissioners approved the use of \$2.5 million in MTW to complete the master planning and entitlement work.

STANDARD HUD METRICS

| Activity 2012-3: Create Affordable Housing Acquisition and Development Fund | | | | |
|---|----------|--------------------|---------|---------------------|
| Unit of Measurement | Baseline | Benchmark (5 year) | Outcome | Benchmark Achieved? |
| CE #4: Increase in Resources Leveraged | | | | |
| Amount of funds leveraged in dollars (increase). | \$0 | \$55 million | \$0 | Yes* |
| HC #1: Additional Units of Housing Made Available | | | | |
| Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). | 0 | 250 units | 0 | Yes* |

*SCCHA anticipates meeting the five-year benchmark at the construction completion for projects currently under construction and in the development pipeline.

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's baselines. The benchmarks for CE#4 and HC#1 were updated for the next five-year time period beginning in FY2018 and ending in FY2022. The FY2012-FY2017 benchmarks for CE#4 and HC#1 are now obsolete, SCCHA will use the updated benchmarks for future MTW Reports.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The agency did not experience any challenges meeting this activity's benchmarks.

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

PLAN YEAR APPROVED: FY2012

IMPLEMENTED: FY2012

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

Using its broader use of funds authority, SCCHA ensures the long-term stability and viability of existing SCHHA- and affiliate-owned rental housing properties through the creation of an affordable housing preservation fund. The preservation fund, established in FY2012, currently allows SCCHA to respond to both planned and unforeseen events and conditions that may impact the Agency's housing portfolio.

Additionally, the preservation fund provides predevelopment financing for existing low-income housing projects developed or owned by SCCHA and allows SCCHA, either directly, or through its affiliates, to leverage funds from other sources and to secure various guarantees (such as operating deficit, tax indemnification, and loan repayment guarantees) associated with the properties. Use of the fund also enables SCCHA to conduct detailed capital needs assessments, review financial projections at each site, establish priorities for rehabilitation and refinancing, explore options for upgrading units and conduct other ongoing asset management activities.

IMPACT OF MTW ACTIVITY

By 2017, SCCHA expects to have used the fund to preserve up to 500 units of affordable housing, with an affordability restriction of at least 55 years. The preservation fund allows SCCHA and affiliate-owned properties to remain affordable to existing and future tenants.

MTW ACTIVITY UPDATE

In September 2017, SCCHA completed the purchase of the Buena Vista Mobile Home Park (Park) in Palo Alto to prevent the displacement of the Park's low-income families. The total acquisition price was \$40.375 million and SCCHA used approximately \$26 million in MTW funds on the purchase. Although the purchase was completed in FY2018, the units of preserved housing were reported in the FY2017 MTW Report. In addition to SCCHA's MTW funds, the City of Palo Alto committed \$14.5 million to the acquisition and the County of Santa Clara committed \$14.5 million to Park renovations. SCCHA ground leased the Park to Caritas Corporation (Caritas) to handle operations and renovations. Caritas has completed the required income certification and Housing Quality Standards inspections and they would like to commence the renovation planning and necessary construction. Accordingly, in April 2018, SCCHA committed to provide Caritas a \$2 million MTW predevelopment loan. In June 2018, SCCHA used approximately \$25 million to

refinance existing loans on four multifamily properties – Blossom River Apartments (143 units), Morrone Gardens Apartments (101 units), Pinmore Gardens Apartments (50 units), and Helzer Court Apartments (154 units) – with a total of 448 units.

STANDARD HUD METRICS

| Activity 2012-4: Create Affordable Housing Preservation Fund for SCCHA and Affiliate-Owned Properties | | | | |
|---|--------------|--------------------|--------------|---------------------|
| Unit of Measurement | Baseline | Benchmark (5 year) | Outcome | Benchmark Achieved? |
| CE #4: Increase in Resources Leveraged | | | | |
| Amount of funds leveraged in dollars (increase). | \$0 | \$36 million | \$29 million | Yes* |
| CE #5: Increase in Agency Rental Revenue | | | | |
| Rental revenue in dollars (increase). | \$29,514,440 | \$30,347,824 | \$5,820,493 | Yes** |
| HC #2: Units of Housing Preserved | | | | |
| Number of housing units preserved for households at or below 80% AMI (increase). | 0 | 500 | 448 | Yes* |

*SCCHA anticipates achieving its 5-year benchmark upon completion of work at planned projects.

**SCCHA anticipates achieving its 5-year benchmark at the culmination of the 5-year period.

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

The baselines and benchmarks for the activity's metrics were updated to a new 5-year period beginning in FY2018 and ending in FY2022. The FY2012-FY2017 benchmarks for CE#4, CE#5, and HC#2 are now obsolete, SCCHA will use the updated benchmarks for future MTW Reports.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The agency did not experience any challenges meeting this activity's benchmarks.

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

PLAN YEAR APPROVED: FY2013

IMPLEMENTED: FY2015

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

This activity eliminates the HUD-mandated EID calculation for an eligible assisted household when an unemployed or under-employed member with disabilities obtains a job or increases their wages. The mandated EID calculation is no longer necessary because SCCHA has a policy to not calculate income increases between regular reexaminations (which occur biennially or triennially for MTW families). This policy allows all families to benefit from increases in income that occur between their regular reexaminations, which can be up to three years away in some cases.

IMPACT OF MTW ACTIVITY

This activity decreases the staff time required to calculate a family's rent portion and reduces the likelihood of errors associated with calculating potential income exclusions. Time savings allow staff to provide higher quality service to families and reduce fraud through tenant education and increased fraud detection efforts.

UPDATE ON MTW ACTIVITY

As indicated in the table below, the value of the labor time saved is consistent with the benchmark. SCCHA saved a minimum of 15 labor hours in staff time by not calculating and tracking earned income disallowance as part of the rent calculation process, which translates to a minimum of savings of \$459.

STANDARD HUD METRICS

| Activity 2013-1: Elimination of the Earned Income Disallowance (EID) Calculation | | | | |
|--|-------------|-------------|-------------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| CE # 1: Agency Cost Savings | | | | |
| Total cost of task in dollars (decrease) | \$459 | \$0 | \$0 | Yes |
| CE #2: Staff Time Savings | | | | |
| Total time to complete the task in staff hours (decrease) | 15 | 0 | 0 | Yes |
| CE #3: Decrease in Error Rate of Task Execution | | | | |
| Average error rate in completing a task as a percentage (decrease) | 100% | 0% | 0% | Yes |
| CE #5: Increase in Tenant Rent Share | | | | |
| Tenant rent share in dollars* (increase) | \$8,065,166 | \$8,065,166 | \$5,505,877 | No |

* The “tenant rent share in dollars” amount is the total amount that households pay toward rent per month as of the beginning of FY2015.

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

The baseline and benchmark for metric CE #1: Agency Cost Savings has been updated to reflect the labor costs based upon compensation rates for FY2018.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

CE#5: The decrease in the tenant rent share in dollars may be attributable to multiple causes – the combined effect of several MTW activities, increase in payment standards, and a decrease in SCCHA’s voucher utilization rate.

2014-4: INCREASED TENANT CONTRIBUTION – UP TO 35% OF GROSS INCOME

PLAN YEAR APPROVED: FY2014

IMPLEMENTED: FY2014

AMENDED: FY2015

DESCRIPTION OF MTW ACTIVITY

This activity simplifies the calculation of TTP by removing all standard deductions and allowances, and calculating a TTP between 30% and 35% of the gross monthly income or \$50 (minimum rent), whichever is higher. The activity also eliminates the inclusion of a utility allowance in the tenant rent calculation. Having the ability to adjust the percentage of monthly tenant rent portion allows SCCHA to fine-tune the necessary balance between the Agency's fiscal stability and resulting financial impacts to participants. This activity enables SCCHA to analyze its fiscal health and set a percentage accordingly. The simplified rent calculation is also conducive for the development of future programs that can address community needs, such as a shallow subsidy program that can assist more families or targeted self-sufficiency programs for special populations. SCCHA amended and re-proposed this activity in FY2015 to include its four remaining public housing units under this activity.

IMPACT OF MTW ACTIVITY

This activity allowed SCCHA to address an immediate and urgent need to reduce program costs because of reduced funding by removing all standard deductions and allowances, and calculating a TTP between 30% and 35% of the gross monthly income or \$50 (minimum rent), whichever is higher. The simplified calculation also provides time savings to staff. Time savings allows staff to provide higher quality service to families and reduce fraud through tenant education and increased fraud detection efforts.

UPDATE ON MTW ACTIVITY

In FY2018, SCCHA did not make any changes to the monthly tenant contribution, which remains at 32% of the family's gross monthly income. SCCHA saved labor hours in staff time by not collecting and calculating allowances and expenses as part of the rent calculation process. The lowered monthly tenant contribution impacts the activity's ability to meet its benchmark as it was originally calculated based on 35% of a family's gross monthly income.

Metric CE#1 relates to the HAP savings engendered by this activity. SCCHA did not meet its cost savings benchmark with a total of \$282,312,497 in HAP payments for FY2018. A competitive rental market and a larger number of rent adjustments processed in FY2018 contributed to the rise in HAP payments.

STANDARD HUD METRICS

| ACTIVITY 2014-4: INCREASED TENANT CONTRIBUTION – 35% OF GROSS INCOME | | | | |
|--|---------------|---------------|---------------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| CE #1: Agency Cost Savings | | | | |
| Total cost of task in dollars (decrease).* | \$246,302,481 | \$210,174,768 | \$282,312,497 | No |
| CE #2: Staff Time Savings | | | | |
| Total time to complete the task in staff hours (decrease). ** | 796 | 0 | 0 | Yes |
| CE #3: Decrease in Error Rate of Task Execution | | | | |
| Average error rate in completing a task as a percentage (decrease.) | 12% | 5% | 8% | No |
| CE #5: Increase in Tenant Rent Share | | | | |
| Tenant rent share in dollars (increase). | \$8,065,166 | \$8,065,166 | \$5,505,877 | No |

* This metric reflects a slight HAP increase of \$36,252,729. HAP changes are a result of an increase to the payment standards, combined with a marked increase in the number of owner-requested rent adjustments.

** The baseline represents the staff time it takes to collect and calculate allowances and expenses as part of the rent calculation process.

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2018.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

Metric CE#1 relates to the HAP savings engendered by this activity. SCCHA did not meet its cost savings benchmark with a total of \$282,312,497 in HAP payments for FY2018. A competitive rental market and a larger number of rent adjustments processed in FY2018 contributed to the rise in HAP payments. SCCHA is actively involved in efforts to produce and maintain affordable housing units in the community in efforts to lower ongoing rental costs.

CE#3: While SCCHA did not meet its benchmark in the number of rent calculation errors documented through quality control audits, it did show improvement. It was expected that the simplification of the rent calculation process would reduce the number of errors in rent calculations. It is expected that further training of staff will allow the agency to continue to improve the error rate and achieve the projected benchmark.

CE#5: The Baseline and Benchmark for CE#5 reflects a monthly tenant contribution of 35% of the family's gross income that was imposed in FY2014. In FY2015, the monthly tenant contribution was decreased to 32% of the family's gross income which is reflected in the FY2018 outcome of this metric and its inability to meet the benchmark. The lower tenant rent share is also related to a lower lease up rate. SCCHA is increasing the payment standards to 110 percent of the FY2018 FMRs in an effort to increase the lease up rate.

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

PLAN YEAR APPROVED: FY2015

IMPLEMENTED: FY2015

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

This activity was implemented in FY2015 and waives the regulatory requirement to perform a re-check inspection for Housing Quality Standard deficiencies. Through this activity, SCCHA allows Project Based Voucher owners and tenants to self-certify the correction of reported non-life-threatening HQS deficiencies within the 30-day deadline instead of having a staff member or a subcontracted inspector conduct a re-check inspection. SCCHA continues to conduct re-check inspections for life threatening deficiencies which must be repaired within 24 hours.

IMPACT OF MTW ACTIVITY

By waiving the regulatory requirement for only non-life-threatening deficiencies, expenditures are reduced by eliminating the scheduling and conducting of a recheck inspection to determine if necessary repairs were made. SCCHA has revised its Administrative Plan to reflect the change in policy as a result of the approval of this activity.

UPDATE ON MTW ACTIVITY

In FY2018, 73 PBV units had 30-day HQS deficiencies which did not require recheck inspections. As a result, SCCHA realized approximately \$1,176 in savings of re-inspection fees to an outside vendor. In prior years of reporting on this activity, SCCHA reported the error rate for all inspections, not just PBV inspections. Beginning with the FY2017 MTW Annual Report, SCCHA reported solely the error rate for PBV Inspections for metric CE #3.

STANDARD HUD METRICS

| Activity 2015-2: Project Based Voucher Inspection Self-Certification | | | | |
|--|----------|-----------|---------|---------------------|
| Unit of Measurement* | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| CE #1: Agency Cost Savings | | | | |
| Total cost of task in dollars (decrease). | \$22,400 | \$0 | \$0 | Yes |
| CE #2: Staff Time Savings | | | | |
| Total time to complete the task in staff hours (decrease). | 691** | 0 | 0 | Yes |
| CE#3: Decrease in Error Rate of Task Execution | | | | |
| Average error rate in completing a task as a percentage (decrease) | 19% | 10% | 0 | Yes |

*In 2013 SCCHA executed a contract with an outside vendor to conduct regularly scheduled inspections on HCV and PBV units. Because the outside vendor charges per inspection, not hourly, reporting on the total decreased time to complete the task in staff hours does not apply.

**Assumes SCCHA staff, rather than outside vendor.

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

The metrics for this activity were modified to remove CE#3 Decrease in Error Rate of Task Execution. SCCHA believes this metric does not accurately measure the impacts of this activity. The baselines and benchmarks for metrics for CE#1 and CE#2 were not changed during FY2018.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The agency did not experience any challenges meeting this activity's benchmarks.

ACTIVITY 2015-3: MODIFIED ELDERLY DEFINITION FOR PBV

PLAN YEAR APPROVED: FY2015

IMPLEMENTED: FY2015

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

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

IMPACT OF MTW ACTIVITY

SCCHA increased the number of units which are available for households who would not have otherwise qualified for the unit under the property's definition of elderly.

UPDATE ON MTW ACTIVITY

SCCHA did not add any senior PBV properties in FY2018. With 921 total households being able to move to a better unit and/or neighborhood as a result of this activity, SCCHA exceeded the benchmark of 774.

STANDARD HUD METRICS

| Activity 2015-3: Modify Elderly Definition for PBV | | | | |
|---|----------|-----------|---------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| HC #4: Displacement Prevention | | | | |
| Number of households at or below 80% of AMI that would lose assistance or need to move (decrease). Units designated for elderly households. | 45 | 0 | 0 | Yes |
| HC #5: Increase in Resident Mobility | | | | |
| Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase). | 0 | 774 | 921 | Yes |

* Outcome assumes that 774 households will initially benefited from the activity the first year of implementation and then assumes a 5% vacancy rate (43 households) which will be filled with new households benefiting from the activity through 2019.

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2018.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The agency did not experience any challenges meeting this activity's benchmarks.

ACTIVITY 2016-2: STREAMLINING OF PBV COMPETITIVE SELECTION REQUIREMENTS

PLAN YEAR APPROVED: FY2016

IMPLEMENTED: FY2016

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

This activity expands the definition of a competitive selection process to include any form of open public solicitation or invitation process conducted by a federal, state, or local government, where a proposal is selected subject to funding availability. The activity also waives HUD's requirements that the Housing Authority must select proposals within three years of the earlier selection date and allows SCCHA to accept proposals within fifteen years of the selection date. Moreover, the activity allows the earlier selection process to consider that the project would require rental assistance, including PBV assistance. SCCHA has revised its Administrative Plan to reflect the change in policy as a result of the approval of this activity.

IMPACT OF MTW ACTIVITY

This activity addresses the statutory objective of achieving greater cost effectiveness in federal expenditures by reducing Agency costs and staff time spent on selecting proposals for PBV assistance. The elimination of certain requirements in selecting proposals for PBV assistance promotes strategic collaborations with other local governments and agencies to leverage scarce resources for affordable housing and in particular permanent supportive housing and housing for special needs populations. This activity hastens the production of much needed housing, leverages Federal resources with local funding to serve the most vulnerable in our community, as well as reduces any unnecessary delay in issuing a Request for Proposal (RFP) or making a selection for PBV housing assistance.

UPDATE ON MTW ACTIVITY

In FY2018, SCCHA utilized this activity to project-base three (3) projects without competition. SCCHA selected the Veranda, Monterey Gateway Senior, and Crossings on Monterey projects for conditional awards of PBVs. These projects had previously been subject to a competitive selection process through the County of Santa Clara.

If this activity was removed, the labor time related to selecting PBV proposals for projects previously awarded housing assistance by other governmental agencies would cost the Agency a minimum of \$6,350 per transaction. SCCHA met all the benchmarks in this activity.

STANDARD HUD METRICS

| Activity 2016-2: Streamlining of PBV Non-Competitive Selection Requirements | | | | |
|---|-----------|-----------|---------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| CE # 1: Agency Cost Savings | | | | |
| Total cost of task in dollars (decrease). | \$19,050 | \$0 | \$0 | Yes |
| CE # 2: Staff Time Savings | | | | |
| Total time to complete the task in staff hours (decrease). | 450 hours | 0 hours | 0 hours | Yes |

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2018.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The agency did not experience any challenges meeting this activity's benchmarks

ACTIVITY 2017-1: PHASING IN A SUBSIDY STANDARD CHANGE

PLAN YEAR APPROVED: FY2017

IMPLEMENTED: FY2017

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

This activity provides that if a household's voucher size changes due to a change in the agency's subsidy standard policy, the new voucher size would not take effect for households in a unit under a Housing Assistance Payment (HAP) contract until (1) the family moves; or (2) the rental market vacancy rate remains 5 percent or higher for at least six months, whichever occurs first.

SCCHA revised its subsidy standard to two persons per bedroom. SCCHA previously paid for one bedroom for the Head of Household and their spouse or partner, if any, and an additional bedroom for every two remaining household members. Activity 2017-1 allows for Section 8 tenants under an active HAP contract to retain their current subsidy level when moving is impractical due to market conditions.

SCCHA staff continues to monitor the vacancy rate quarterly by utilizing the online rental market database, REIS. If vacancy rates rise to 5 percent or higher for two quarters (six months) in a row, SCCHA will provide a one-year minimum notice period to the family before applying the reduced voucher size in the rent calculation.

IMPACT OF MTW ACTIVITY

This activity allows the Agency to reap the benefit of new subsidy standards for families newly admitted to Section 8 and for movers without impacting assisted families under a current Housing Assistance Payment contract.

UPDATE ON MTW ACTIVITY

In FY2017, SCCHA revised its subsidy standards to the HUD minimum of two persons per bedroom, regardless of relationship, age, or gender. In FY2018, 1,792 families, who would have seen a decrease in their subsidy size, remained in place under their current HAP contract. These families have a higher subsidy size than the current subsidy standard, and therefore benefit from the implementation of this activity.

STANDARD HUD METRICS

| ACTIVITY 2017-1: PHASING IN SUBSIDY STANDARD CHANGE | | | | |
|---|----------|-----------|---------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| HC#4: Displacement Prevention | | | | |
| Number of households at or below 80% AMI that would lose assistance or need to move (decrease). These units serve families. | 1742 | 0 | 0 | Yes |

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes made to the activity in FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

The metrics for this activity were modified to remove CE#5 Increase in Agency Rental Revenue. SCCCHA believes this metric does not accurately measure the impacts of this activity. Measuring displacement prevention more accurately measures this activity's impact.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The agency did not experience any challenges meeting this activity's benchmarks

ACTIVITY 2017-3: LANDLORD INITIATIVE

PLAN YEAR APPROVED: FY2017

IMPLEMENTED: FY2017

AMENDED: FY2018 & FY2019

DESCRIPTION OF MTW ACTIVITY

This activity allows SCCHA to provide HCV program owners who re-rent their unit to an HCV participant with vacancy payments. As approved in FY2017, the vacancy payment is equal to 80 percent of the contract rent for up to 30 days. In FY2018 this activity was amended to set the vacancy payment to a set amount, between \$500 and \$1,500 – an amount that was determined to be reasonable after evaluating the program-wide contract rent average. The final vacancy payment amount will be reviewed annually and included in SCCHA’s Section 8 Administrative Plan. This activity was amended in the FY2019 MTW Plan and further expanded to include an incentive payment to new landlords who rent a unit to a Section 8 family. The bonus payment amount will range between \$500 and \$2,500.

IMPACT OF MTW ACTIVITY

This activity increases the number of HCV units that are re-leased to HCV participants, ensures the long-term viability of units that will be available to HCV low-income tenants and provides an incentive for owner participation in the HCV program, and a simplified process that expedites the method in which SCCHA administers vacancy payments.

UPDATE ON MTW ACTIVITY

FY2018 is the first report of the entire fiscal year for this activity. A total of 299 units, which might have otherwise been removed, were retained as part of the HCV program. The benchmark, which was set at the number of HCV unit turnovers in FY2015, was met and surpassed in this fiscal year.

STANDARD HUD METRICS

| Activity 2017-3: Landlord Initiatives | | | | |
|--|----------|-----------|---------|---------------------|
| Unit of Measurement | Baseline | Benchmark | Outcome | Benchmark Achieved? |
| HC#2: Units of Housing Preserved | | | | |
| Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase). | 0 | 276 | 299 | Yes |

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2018.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2018.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2018.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The agency did not experience any challenges meeting this activity's benchmarks.

B. Activities Not Yet Implemented

| Activity | Year Approved | Description | Action Taken During the Fiscal Year |
|---|---------------|--|---|
| 2014-1a & 2014-1b Focus Forward Program (And Amendments) | FY2014 | <p>Activity 2014-1a: Focus Forward Part I--Case Management, Incentives and Escrow. The Focus Forward Program (FFP) is an expanded version of the traditional FSS program, and will support HCV participants in increasing and sustaining a higher level of self-sufficiency with a more robust case management and ongoing program-incentives component.</p> <p>Activity 2014-1b: Focus Forward Part II, Time Limit and Rent Structure. Families that are currently on the SCCHA waiting list will have the option to enroll in the FFP, with the condition that their assistance will have a ten-year time limit. In addition to the ten-year time limit, and to prepare participants for transitioning off of assistance, SCCHA has designed an alternative rent calculation for the FFP in which participants will take on more fiscal responsibility for their rental payments as they progress through the program.</p> | <p>SCCHA re-proposed the Focus Forward Program in its FY2018 MTW plan as a ten-year time-limited self-sufficiency program that will provide intensive case management, incremental monetary incentives, and a simplified escrow calculation.</p> <p>In August 2017, HUD granted approval of the re-proposed Focus Forward Program. SCCHA has continued the process to develop policies and procedures for the Focus Forward Program, in conjunction with external and internal experts and consultants. SCCHA plans to issue a Request for Proposal during FY2019 for a vendor to fully implement and administer the program. When Focus Forward is fully implemented, SCCHA will continue operating its current FSS program.</p> |
| 2014-2: Eliminate Requirement to re-Determine Rent Reasonableness When HUD Decreased Fair Market Rents | FY2014 | This activity, approved in FY2014, eliminates the HUD requirement to re-determine the rent reasonableness of affected units within 60 days of the contract anniversary date when HUD reduces FMRs by 5% or more. | HUD has not reduced FMRs by 5% or more since this activity was approved. If and when that occurs, SCCHA will explore implementing this activity. |

| Activity | Year Approved | Description | Action Taken During the Fiscal Year |
|---|---------------|--|--|
| 2016-1 Restriction on Head of Household Changes | FY2016 | This activity requires a newly designated Head of Household to enroll in the Focus Forward Program if the previous Head of Household decides to leave the program and transfer their Head of Household designation to a remaining non-elderly/non-disabled family member. | This activity will be implemented when the Focus Forward Program (Activity 2014-1) is implemented. SCCHA is in the process of selecting a vendor to implement the Focus Forward Program. See 2014-1a and 2014-1b. |
| Activity 2017-2: Special Needs Population Direct Referral Program | FY2017 | This activity grants SCCHA an exception to Section 8 waiting list regulations to create a direct referral program for certain special needs populations who are not best served through a waiting list (such as disabled individuals at risk of institutionalization or transition aged youth). This activity will give SCCHA the flexibility to work directly with community partners to rapidly house and provide supportive services to vulnerable populations. | SCCHA selected the partner agency, the Santa Clara County Office of Supportive Housing, developed and drafted the client selection criteria and Memorandum of Understanding outlining each agency's responsibilities. SCCHA began the work of creating the necessary procedures for the complete roll-out of this activity. SCCHA anticipates implementation of this activity in FY2019. |
| Activity 2017-4: Setting the Payment Standards above 110 Percent of HUD Fair Market Rents (originally proposed as Activity 2017-1) | FY2017 | This activity allows SCCHA to waive the HUD regulation that limits payment standards to no higher than 110 percent of the FMR, and give SCCHA's Board of Commissioners authority to approve a payment standard of up to 130 percent of the FMR without prior HUD approval. | At this time, SCCHA's payment standards are set below 110 percent of HUD-issued FMR. Currently, SCCHA has no time table for implementing this activity, and will revisit this activity when the market dictates a need. SCCHA is increasing payment standards to 110 percent of 2018 FMRs in FY2019. |

| Activity | Year Approved | Description | Action Taken During the Fiscal Year |
|--|---------------|---|---|
| 2018-1 Strengthening Partnerships through Capacity Building | FY2018 | SCCHA will use MTW funds to support community partners in building capacity in support of the FFP. This funding will enable community partners to build additional capacity in areas that promote client self-sufficiency, such as job readiness and higher education, expanding their ability to serve both SCCHA and non SCCHA participants. To ensure that funds are allocated in accordance with the pilot FFP objectives, SCCHA will establish an application process, and develop fund issuance criteria that will have to be completed prior to the award of funds. The total amount of funds to be awarded per year will not surpass \$100,000. | This activity will be implemented when the Focus Forward Program (Activity 2014-1) is implemented. SCCHA is in the process of selecting a vendor to implement the Focus Forward Program. See 2014-1a and 2014-1b. |

C. Activities On Hold

| Activity | Year Approved/ Implemented /Placed on Hold | Description | Action Taken During the Fiscal Year |
|--|---|---|---|
| 2010-5: Assisting Over-Income Families Residing at SCCHA-owned Project-Based Voucher Properties | FY2010/ FY2011/ FY2015 | This activity was implemented in FY2011. Since its implementation, SCHAA has not used this waiver since no families have exceeded the income threshold. Only one public housing project (Deborah Drive) remains that could potentially benefit from this activity and there is no plan at this time to dispose of this property. Therefore, SCHAA placed this activity on hold indefinitely but could re-implement when the last public housing project is disposed. | None |
| 2012-5: Expand Tenant Services at SCHAA-Owned or Affiliate-Owned Affordable Housing Properties | FY2012/ FY2012/ FY2016 | <p>This activity, implemented in FY2012, allows SCHAA a broader use of funds authority to expand its provision of programs and services for tenants living in SCHAA-owned or affiliate-owned non-Section 8/9 affordable rental properties.</p> <p>The SCHAA-owned and affiliate-owned affordable housing properties continue to pay for tenant services directly from their respective operating budgets. Currently, there is no need to expand tenant services and there is no implementation timeline to re-activate.</p> | None |

| Activity | Year Approved/ Implemented /Placed on Hold | Description | Action Taken During the Fiscal Year |
|--|---|---|---|
| 2014-3: Freeze on Contract Rent Increases | FY2014/ FY2015 | Implemented in FY2014, this activity imposed a freeze on any owner requested rent increases for one-year effective September 2013 through August 2014. SCHAA lifted the freeze and began accepting owner requested rent increases again as of September 1, 2014. Subsequent freezes on owner requested rent increases are subject to SCHAA's Board of Commissioners' approval and are limited to a one-year term. Therefore, SCHAA has placed this activity on hold indefinitely but could re-implement when necessary. | None |

D. Closed Out Activities

| ACTIVITY | WHY THE ACTIVITY WAS CLOSED | YEAR CLOSED |
|--|--|---|
| 2009-3 Reduced Frequency of Inspections | Effective July 2014, Public Housing Agencies (PHAs) can inspect units during the term of the Housing Assistance Payment (HAP) contract at least biennially instead of annually. There is no longer a need to waive HUD regulations to conduct biennial inspections. | This activity was closed out in FY2015 |
| 2009-4 Timeline to Correct HQS Deficiencies | Handhelds are now utilized by the inspections team at every regularly scheduled inspection. These devices are capable of recording the non-life-threatening deficiency directly into the newly implemented software, which then immediately generates the deficiency notification letter. There is no longer a lag time between the date of the inspection and the date of the letter. | This activity was closed out in FY2012 |
| 2009-6 20% Sample Inspections Annually for PBV Units | After the approval of this activity, HUD issued PIH Notice 2008-14, in which HUD stipulates that a PHA may now renew or extend Project-Based Certificate Housing Assistance Payment (HAP) contracts as Project-Based Voucher HAP contracts in accordance with the regulations governing the PBV program at 24 CFR Part 983. This activity was never implemented. | This activity was closed out in FY2009 |
| 2009-7 Project-Based Unit Substitution | After the approval of this activity, HUD issued PIH Notice 2008-14, in which HUD stipulates that a PHA may now renew or extend Project-Based Certificate Housing Assistance Payment (HAP) contracts as Project-Based Voucher HAP contracts in accordance with the regulations governing the PBV program at 24 CFR Part 983. Therefore, this activity was never implemented. | This activity was closed out in FY2009 |
| 2009-10 Selection of SCCHA-owned Public Housing Projects for PBV without Competition | SCCHA utilizes MTW Activity 2010-4, which allows the Agency to select any of its properties for PBV assistance without a competitive process, including public housing units. Therefore, this activity is no longer necessary. | This activity was closed out in FY2015 |

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

V. MTW Sources And Uses of Funds

A. ACTUAL SOURCES AND USES OF MTW FUNDS

i. Actual Sources of MTW Funds in the Plan Year

The MTW PHA shall submit unaudited and audited information in the prescribed Financial Data Schedule (FDS) format through the Financial Assessment System – PHA (FASPHA), or its successor system.

ii. Actual Uses of MTW Funds in the Plan Year

The MTW PHA shall submit unaudited and audited information in the prescribed FDS format through the FASPHA, or its successor system.

iii. Describe Actual Use of MTW Single Fund Flexibility

The MTW PHA shall provide a thorough narrative of actual activities that use only the MTW single fund flexibility. Where possible, the MTW PHA may provide metrics to track the outcomes of these programs and/or activities. Activities that use other MTW authorizations in Attachment C and/or D of the Standard MTW Agreement (or analogous section in a successor MTW Agreement) do not need to be described here, as they are already found in Section (IV) of the Annual MTW Report. The MTW PHA shall also provide a thorough description of how it used MTW single fund flexibility to direct funding towards specific housing and/or service programs in a way that responds to local needs (that is, at a higher or lower level than would be possible without MTW single fund flexibility).

ACTUAL USE OF MTW SINGLE FUND FLEXIBILITY

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

In FY2018, SCCHA used its MTW Single Fund Flexibility to pay for a consultant to provide a review and risk analysis for SCCHA-managed affordable housing properties, for a consultant to conduct a space-planning and future needs assessment of SCCHA's current physical office space and facilities, and for a local non-profit agency to assist Section 8 tenants with housing search/location assistance.

B. LOCAL ASSET MANAGEMENT PLAN

i. Did the MTW PHA allocate costs within statute in the Plan Year?

Yes

ii. Did the MTW PHA implement a local asset management plan (LAMP) in the Plan Year?

No

iii. Did the MTW PHA provide a LAMP in the appendix?

No

iv. If the MTW PHA has provided a LAMP in the appendix, please provide a brief update on implementation of the LAMP. Please provide any actual changes (which must be detailed in an approved Annual MTW Plan/Plan amendment) or state that the MTW PHA did not make any changes in the Plan Year.

N/A

VI. Administrative

A. REVIEWS, AUDITS, AND INSPECTIONS

There were no reviews, audits, or inspections in FY2018.

B. EVALUATION RESULTS

In FY2014, SCCHA completed its five-year strategic plan. The five-year plan will inform SCCHA's future decision making as to how to best meet the community's housing needs. Part of the process of carrying out the strategic plan may include program evaluation conducted by a third party. No additional program evaluations were completed this fiscal year beyond those required by the MTW agreement.

C. MTW STATUTORY REQUIREMENT CERTIFICATION

See attached certification in Appendix One of this MTW Report.

D. MTW ENERGY PERFORMANCE CONTRACT (EPC) FLEXIBILITY DATA

N/A

Appendix One: FY2018 Certification of Compliance with Statutory Requirements



Santa Clara County Housing Authority • 505 West Julian Street, San José, CA 95110 • TEL 408.275.8770

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Certification of Statutory Compliance

On behalf of the Housing Authority of the County of Santa Clara and the Housing Authority of the City of San Jose (the Agency), I certify that the Agency has met the three statutory requirements of the Moving to Work (MTW) Program during fiscal year 2018:

- 1) At least 75 percent of the families assisted by the Agency are very-low income families;
- 2) The Agency has, to the best of its ability, continued to assist substantially the same total number of eligible low-income families as would have been served without MTW; and
- 3) The Agency has continued to serve a comparable mix of families (by family size) as would have been served without MTW.

Katherine Harasz
Executive Director

9-18-18

Date

Appendix Two: Approved MTW Activities for the FY2018 Reporting Period

Approved MTW Activities for the FY2018 Reporting Period

| Activity # (Plan year proposed + Activity #) | Activity | MTW Statutory Objectives | | |
|---|--|--|---|--|
| | | Reduce cost and achieve greater cost effectiveness in federal expenditures | Provide incentives to families ... leading toward economic self-sufficiency | Increase housing choices for low-income families |
| IMPLEMENTED IN FY2009 | | | | |
| 2009-1 | Reduced Frequency of Tenant Reexaminations | X | | |
| 2009-2 | Simplification and Expediting of the Income Verification Process | X | | |
| 2009-5 | Exploring New Housing Opportunities for the Chronically Homeless | | | X |
| 2009-13 | Combined Waiting Lists for the County of Santa Clara and the City of San José | X | | X |
| IMPLEMENTED IN FY2010 | | | | |
| 2009-8 | Streamlining the Project-Based Voucher Referral Process | | | X |
| 2009-9 | Utilization of Low Income Housing Tax Credit (LIHTC) Tenant Income Certification (TIC) for Income and Asset Verification | X | | |
| 2009-11 | Project-Base 100% of Units in Family Projects | X | | X |
| 2009-14 | Payment Standard Changes Between Regular Reexaminations | X | | |
| 2010-2 | Excluding Asset Income from Income Calculations for Families with Assets Under \$50,000 | X | | |

| Activity # (Plan year proposed + Activity #) | Activity | MTW Statutory Objectives | | |
|---|--|--|---|--|
| | | Reduce cost and achieve greater cost effectiveness in federal expenditures | Provide incentives to families ... leading toward economic self-sufficiency | Increase housing choices for low-income families |
| 2010-3 | Applying Current Increased Payment Standards at Interim Reexaminations | X | | X |
| IMPLEMENTED IN FY2011 | | | | |
| 2010-4 | Allocating Project-Based Vouchers to SCCHA-owned Projects Without Competition | X | | |
| 2011-1 | Streamlined approval process for exception payment standard for reasonable accommodation | | | X |
| 2011-2 | Simplify requirements regarding third-party inspections and rent services | X | | |
| IMPLEMENTED IN FY2012 | | | | |
| 2012-3 | Affordable Housing Acquisition Development Fund | | | X |
| 2012-4 | Affordable Housing Preservation Fund for SCCHA- and Affiliate-Owned Properties | | | X |
| IMPLEMENTED IN FY2014 | | | | |
| 2014-4 | Increased Tenant Contribution – Up to 35% of Gross Income | X | | |
| IMPLEMENTED IN FY2015 | | | | |
| 2012-2 | Two-Year Occupancy in Project-Based Voucher Unit Before Eligible to Receive Voucher | X | | |
| 2013-1 | Elimination of the Earned Income Disallowance (EID) Calculation | X | | |
| 2015-2 | Project Based Voucher Inspection Self-Certification | X | | |
| 2015-3 | Modified Elderly Definition for PBV | | | X |

| Activity # (Plan year proposed + Activity #) | Activity | MTW Statutory Objectives | | |
|--|---|---|---|--|
| | | Reduce cost and achieve greater cost effectiveness in federal expenditures | Provide incentives to families ... leading toward economic self- sufficiency | Increase housing choices for low- income families |
| IMPLEMENTED IN FY2016 | | | | |
| 2016-2 | Streamlining of PBV Competitive Selection Requirements | X | | |
| IMPLEMENTED IN FY2017 | | | | |
| 2017-1 | Phasing in a Subsidy Standard Change | | | X |
| 2017-3 | Landlord Initiative | | | X |
| PENDING IMPLEMENTATION | | | | |
| 2014-1 | Focus Forward Program | | X | |
| 2014-2 | Eliminate Requirement to Re-Determine Rent Reasonableness when HUD decreased Fair Market Rents (FMRs) | X | | |
| 2016-1 | Restriction on Head of Household Changes | | X | |
| 2017-2 | Special Needs Population Direct Referral Program | | | X |
| 2017-4 | Setting Payment Standards Above 110 Percent of HUD Fair Market Rents | | | X |
| 2018-1 | Strengthening Partnerships through Capacity Building | | X | |
| ACTIVITIES ON HOLD | | | | |
| 2010-5 | Assisting Over-Income Families Residing at SCCHA-owned Project-Based Voucher Properties | | | X |
| 2012-5 | Expand Tenant Services at SCCHA- and Affiliate-Owned Affordable Housing Properties | | X | |
| 2014-3 | Freeze on Contract Rent Increases | X | | |

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

Appendix Three: FY2017 Independent Auditor's Report (OMB-A-133) for SCCHA

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

Single Audit Reports

For the Year Ended June 30, 2017



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HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
(A Component Unit of the County of Santa Clara)
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June 30, 2017

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**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***

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

We have audited, 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, the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the County of Santa Clara, California (Authority) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 11, 2017. Our report includes a reference to other auditors who audited certain of the financial statements of the Authority's blended component units and discretely presented component units, as described in our report on the Authority's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the blended component units, except for Housing Development Corporation, AE Associates, Ltd., San Pedro Garden Associates, Ltd., and S.P.G. Housing Inc., and the financial statements of the discretely presented component units, except for Bendorf Drive, LP, Clarendon Street LP, Fairground Luxury Family Apartments, LP, HACSC/Choices Family Associates, and Opportunity Center Associates, LP, were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Walnut Creek, California
December 11, 2017



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**Independent Auditor's Report on Compliance For Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on
Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

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

Report on Compliance For Each Major Federal Program

We have audited the Housing Authority of the County of Santa Clara, California's (Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2017. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major federal program is not modified with respect to these matters.

The Authority's response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance, and accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on the Schedule of Expenditures of Federal Awards

Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Authority, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated December 11, 2017, which contained unmodified opinions on those financial statements. Our report also includes a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Macias Gini & O'Connell LLP

Walnut Creek, California
February 6, 2018

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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 Awards
For the Year Ended June 30, 2017

| Grantor/Pass-Through Grantor/Program Title | Grantor Identifying Number(s) | Federal CFDA Number | Expenditures |
|--|-------------------------------------|---------------------------|-----------------------|
| U.S. Department of Housing and Urban Development | | | |
| <i>Direct:</i> | | | |
| Continuum of Care | n/a | 14.267 | \$ 3,396,731 |
| Section 8 Project-Based Cluster | | | |
| Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation | n/a | 14.856 | 1,239,140 |
| Housing Voucher Cluster | | | |
| Section 8 Housing Choice Vouchers | n/a | 14.871 | 15,508,457 |
| Mainstream Vouchers | n/a | 14.879 | 804,602 |
| Subtotal Housing Voucher Cluster | | | <u>16,313,059</u> |
| Family Self Sufficiency | n/a | 14.896 | 329,908 |
| Moving To Work Demonstration Program | n/a | 14.881 | <u>295,000,441</u> |
| Total expenditures of federal awards | | | <u>\$ 316,279,279</u> |

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

**HOUSING AUTHORITY OF THE
COUNTY OF SANTA CLARA, CALIFORNIA**
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

NOTE 1 – GENERAL

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Housing Authority of the County of Santa Clara, California (the Authority). 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. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority.

NOTE 2 – BASIS OF ACCOUNTING

Amounts reported on the Schedule represent expenditures incurred for the Authority's federal programs, and are reported on the accrual basis of accounting and include capitalized expenditures. Such expenditures are recognized following the cost principles contained in 2 CFR 200, Subpart E (Cost Principles), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority did not elect to use the 10% de minimis cost rate as covered in 2 CFR 200.414 Indirect (F&A) costs.

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

The Schedule agrees to or can be reconciled with the amounts reported in the Authority's basic financial statements.

**HOUSING AUTHORITY OF THE
COUNTY OF SANTA CLARA, CALIFORNIA**
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Section I – Summary of Auditor’s Results

Financial Statements

| | |
|---|---------------|
| Type of auditor’s report issued: | Unmodified |
| Internal control over financial reporting: | |
| ♦ Material weakness(es) identified? | No |
| ♦ Significant deficiency(cies) identified? | None reported |
| Noncompliance material to the financial statements noted? | No |

Federal Awards

| | |
|--|--|
| Internal control over major programs: | |
| ♦ Material weakness(es) identified? | No |
| ♦ Significant deficiency(cies) identified? | None reported |
| Type of auditor’s report issued on compliance for major programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | Yes |
| Identification of major programs? | 14.881 - Moving To Work Demonstration Program 14.267 – Continuum of Care |
| Dollar threshold used to distinguish between type A and type B programs: | \$3,000,000 |
| Auditee qualified as a low-risk auditee? | Yes |

Section II - Financial Statement Findings

None reported.

**HOUSING AUTHORITY OF THE
COUNTY OF SANTA CLARA, CALIFORNIA**
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Section III - Federal Award Findings and Questioned Costs

| | |
|----------------------------------|---|
| Finding Reference | 2017-001 |
| Federal Agency | U.S. Department of Housing and Urban Development |
| Federal Program Title | Continuum of Care |
| Federal Catalog Number | 14.267 |
| Category of Finding | Matching |
| Classification of Finding | Control Deficiency in Internal Control over Compliance Incident of Noncompliance |

Criteria

Per 24 CFR Section 578.73(a), the recipient or subrecipient must match all grant funds, except for leasing funds, with no less than 25 percent of funds or in-kind contributions from other sources. For Continuum of Care (COC) geographic areas in which there is more than one grant agreement, the 25 percent match must be provided on a grant-by-grant basis. Recipients that are Unified Funding Agencies (UFAs) or are the sole recipient for their Continuum, may provide match on a Continuum-wide basis. Cash match must be used for the costs of activities that are eligible under subpart D of this part, except that High-Performing Communities (HPCs) may use such match for the costs of activities that are eligible under § 578.71.

Condition

The Authority partnered with the County of Santa Clara (County) to fulfill the 25% match requirement. The County is responsible to provide supportive service to the program participant. During the year of 2017, the Authority requested \$196,574 from HUD for one of the COC grant agreements awarded. Thus, the Authority is subject to match \$49,144, which is the 25% of the total amount requested.

Per review of the County's records received by the Authority, only \$42,029 worth of supporting services were provided.

Cause

The participants did not have much need from the program once they were housed with the rental assistance provided. When they declined the services, it created difficulties for the County to provided services based upon the agreement with the Authority to meet the 25% matching requirement.

Effect

The Authority was not in compliance with the program requirement.

Questioned Costs

\$7,115 which is the difference of the required matching amount and the actual amount matched.

Recommendation

We recommend the Authority to require the County provide service reports more frequently with the County, and provide specific guidelines on what is considered as supportive services. Also, it is recommended that the Authority be more communicative to the grantor about the situation.



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Santa Clara County Housing Authority
Corrective Action Plan
For Fiscal Year Ended June 30, 2017

The following finding is reported in the Agency's Schedule of Findings and Questioned Cost for the Year Ended June 30, 2017.

Comment # 2017-01(Control Deficiency in Internal Control over Compliance Incident of Noncompliance) – Matching (Continuum of Care 14.267)

The Authority's Correction Action for the finding is as follow:

Santa Clara County Housing Authority transferred the Continuum of Care grants PSH (CA1274L9T001602) effective July 1, 2017 and CoC #5320 (CA0746L9T1608) effective Oct 31, 2017 to the Santa Clara County – Office of Supportive Housing.

If you have further question, please contact Katherine Harasz, Executive Director, at 408-993-2903.



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Santa Clara County Housing Authority
Summary Schedule of Prior Year Finding
For Fiscal Year Ended June 30, 2017

Summary Schedule of Prior Audit Findings

| | |
|-------------------------|---|
| Reference Number | 2015-004 – Eligibility Section 8 Moderate Rehabilitation – CFDA #14.856 |
| Audit Finding | During our audit of the eligibility requirements of the Section 8 Moderate Rehabilitation Program (MOD), we randomly selected 13 tenants from a population of 75 cases for testing. In two tenant cases, the HAP to Owner per MOD HAP register did not agree to the HAP per Owner listed at form HUD-50058 due to tenant rent payments being incorrectly computed due to missed imputed income from both savings and checking accounts. In one tenant case, the HAP to Owner per MOD HAP register did not tie to the HAP per Owner listed at form HUD-50058 due to missed imputed income from assets. |
| Recommendation | The Authority was recommended to establish a procedure to review the system data with the case files at each initial examination and re-examination date to ensure the system was properly established and the correct tenant information is used to compute the housing assistance payments |
| Status | Implemented. The Authority implemented the Nan McKay Quality Control Tool on July 1, 2017 |