



Moving to Work (MTW) FY 2019 Annual Report

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

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Moving to Work FY2019 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 eleventh full year as an MTW Agency during fiscal year (FY) 2019 (July 1, 2018 through June 30, 2019).

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 several short-term goals identified in the FY2019 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. To assist voucher holders in their housing search, the Agency increased Voucher Payment Standards in November of 2018 to 110% of the 2017 Santa Clara County fair market rents (FMR), these payment standards remain within HUD guidelines in relation to the 2019 FMRs. SCCHA continues to monitor lease-up rates and open market rents to adjust payment standards as necessary. SCCHA also refers all voucher holders requesting a voucher extension to a housing search services provider free of charge.

The Agency launched a web-based application that serves Section 8 tenants in the second half of FY2019. The tenant portal is a tool to allow Agency clients convenient access to information regarding

their Section 8 assistance, rent portion, and to communicate changes in income or family composition with their caseworker. As the use of the app increases, the Agency plans to increase the tool's functionality. When ready, SCCHA will incorporate into the web-based application a Section 8 applicant portal that will allow households to apply for Section 8 assistance.

The Housing Choice Voucher (HCV) waiting list now has less than 5,000 applicants, SCCHA estimates the current HCV waiting list will take approximately two years to exhaust. To adequately prepare for the re-opening of the waiting list, the first time since 2006, SCCHA began the process of identifying new policies and procedures for the operation of the waiting list. The reopening of the waiting list represents an opportunity to incorporate things the Agency learned from the tenant app development. SCCHA is still in development stages of the waiting list project with an anticipated project launch date in March 2020.

In FY2019, SCCHA issued an additional 252 HCVs to the Chronically Homeless Direct Referral program (CHDR) (Activity 2009-5). SCCHA completed its work on the Special Needs [Population] Direct Referral Program (SNDR). The Agency drafted the internal SNDR procedures and began administration of the SNDR program. The Santa Clara County Office of Supportive Housing, SCCHA's partner agency for the SNDR program, started referring families to SCCHA in late 2018 – 39 families are leased up at three sites.

SCCHA continues to develop its "Focus Forward" program (Activity 2014-1a and Activity 2014-1b), originally proposed in FY2014. The Focus Forward program was separated into two different but related activities in the FY2018 plan: case management and ongoing program incentives (Activity 2014-1a) and time-limited vouchers and a tiered rent structure (Activity 2014-1b). In FY2019, SCCHA hired a consultant with experience in economic self-sufficiency programs to fully develop the documents, materials, policies, and procedures for the Focus Forward program. SCCHA expects completion of work on the development of the Focus Forward program in late FY2020 or early FY2021. SCCHA also re-proposed Activity 2014-b, in the FY2020 Plan, to limit the portability of Focus Forward participants.

The Housing Department Policy team continued work on updating the procedure manuals used by staff in the administration of the Section 8 program. SCCHA's Compliance team monitors and evaluates staff performance in the administration of the Agency's federal programs helping identify areas where additional training or better written procedures are needed. SCCHA's Training and Outreach team continues to provide comprehensive training to new and experienced staff on the work processes required to administer the Agency's different voucher programs.

SCCHA's affordable housing development work continued at Laurel Grove and Park Avenue Senior Apartments projects – two 100%-PBV projects purchased with MTW funds. SCCHA completed construction of Laurel Grove Apartments and the community was fully leased up by the end of December 2018. Work on Park Avenue Senior Apartments continues with completion projected in early 2020.

SCCHA's Long-Term Goals

SCCHA is in the process of finalizing its strategic plan for the next five years (2019 – 2024)

SCCHA endeavors to achieve its mission through the following long-term goals as identified in the new strategic plan:

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.

In order to properly meet the challenges of the current market and to maintain its leadership position as an affordable housing provider, SCCHA began the process of updating the Agency's strategic goals during the fiscal year. The new strategic plan will guide the Agency's work for the next five years.

Because of the low supply of affordable housing, SCCHA remains engaged in the creation of affordable housing via direct development of new units and via PBVs to encourage affordable housing development throughout the county by other developers. As of the end of FY2019, SCCHA awarded 1,230 PBVs to 25 projects – seven of those projects completed construction during the past fiscal year adding 240 PBV units to the local market.

PBVs continue to be an effective way to encourage development of additional affordable units in Santa Clara County. Through use of Santa Clara County's \$950 million Measure A bond funds and SCCHA's PBV awards, many more affordable housing developments were made possible. The first of these projects completed construction at the end of this fiscal year. The bulk of the Measure A funds are targeted for the development of housing affordable to extremely low-income households and for permanent supportive housing. SCCHA's partnership with Santa Clara County in tackling the affordable housing crisis is helping both agencies leverage their affordable housing resources.

SCCHA continued its work on its own affordable housing portfolio during the fiscal year. SCCHA worked on the design of Alvarado Park Senior Housing (89 PBV units for persons aged 55 and over) and Bellarmino Place Family Housing (115 PBV units) and submitted a planned development application to the City of San Jose for both projects. These projects in conjunction with PBV commitments and land purchases for future projects are helping increase the supply of affordable housing in the area.

SCCHA remains committed to encouraging affordable housing development in the county and will continue as far as HUD regulations and funding availability allow.

During the past fiscal year SCCHA has been engaged in the early design work for the project site located on East Santa Clara. SCCHA's current office lacks the space for the staffing levels the Agency anticipates needing to meet the development goals and for the continued proper administration of the Section 8

program. SCCHA plans to build new Agency offices and affordable housing projects on the land. The Agency drafted a master plan for the new office site and auxiliary uses which was approved by the Board of Commissioners in May 2019.

SCCHA purchased the Buena Vista Mobile Home Park (Buena Vista) in 2017 to preserve the site as affordable housing using Activity 2012-3. As of the end of FY2019, SCCHA and Caritas IV, the mobile home park operator, have stabilized Buena Vista. SCCHA staff will begin assessment of existing conditions, park and resident needs, and City land use regulations that will inform development options. SCCHA hopes to have development options for consideration by the end of FY2020. SCCHA anticipates avid community interest in development options.

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			
Leigh Avenue Senior Apartments	0	63	Committed	No	New construction project consisting of 63 1-bedroom units for chronically homeless seniors.
Monterey Gateway	0	37	Committed	No	New construction project consisting of 74 units (64 1-bedroom and 10 2-bedroom units) for senior tenants. 37 PBVs are reserved for chronically homeless senior families.
Crossings on Monterey	0	20	Committed	No	New construction project consisting of 38 units (6 1-bedroom, 17 2-bedroom, and 15 3-bedroom units) for tenants. 20 PBVs are reserved for the chronically homeless.
North San Pedro Apartments	0	60	Committed	No	New construction project consisting of 134 units for tenants (118 studios and 16 1-bedroom units). 60 PBVs are reserved for chronically homeless individuals and 49 are HUD-VASH PBV units (VASH PBV units not reflected in this section).
Shorebreeze Expansion	0	20	Committed	No	New construction project consisting of 62 units for tenants (21 studios, 21 1-bedroom units, 8 2-bedroom units, and 12 3-bedroom units. 20 PBV units are reserved for families who are at risk of homelessness.
		0	200	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 project-basing the 63 units at Leigh Avenue Senior Apartments, the 37 units at Monterey Gateway, the 20 units at Crossings on Monterey, the 60 units at North San Pedro, or the 20 Units at Shorebreeze Expansion at the time the FY2019 MTW Plan was drafted. 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, and the 16 units at 1701 ECR that were listed under the "New Housing Choice Vouchers to be Project-Based During Fiscal Year" section of the FY2019 MTW Plan are listed under "Actual Existing Project Based Vouchers" section of this MTW Report and not Actual New Project Based Vouchers. The old MTW Plan and Report format used execution of a HAP contract to distinguish between new and existing project-based vouchers. Under the new format the distinction between new and existing project-based vouchers is execution of an AHAP.

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			
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.

PROPERTY NAME	NUMBER OF PROJECT-BASED VOUCHERS		STATUS AT END OF PLAN YEAR**	RAD?	DESCRIPTION OF PROJECT
	Planned*	Actual			
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.
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.

PROPERTY NAME	NUMBER OF PROJECT-BASED VOUCHERS		STATUS AT END OF PLAN YEAR**	RAD?	DESCRIPTION OF PROJECT
	Planned*	Actual			
Eagle Park (formerly 1701 ECR)	16	16	Committed	No	New construction project, consisting of 65 units (64 studios, 1 1-bedroom manager unit). 16 PBV units are for chronically homeless individuals, and 25 units are HUD-VASH PBV units for chronically homeless veterans (VASH PBV units not reflected here).
Edwina Benner Plaza	23	23	Leased/Issued	No	Family, new construction, project, consisting of 65 units for residents. 23 of those units will have PBVs attached, with 13 for Special Needs Direct Referral program and 10 for families at risk of homelessness.
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.

PROPERTY NAME	NUMBER OF PROJECT-BASED VOUCHERS		STATUS AT END OF PLAN YEAR**	RAD?	DESCRIPTION OF PROJECT
	Planned*	Actual			
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.
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 project with 9 3-bedroom PBV units.
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	Leased/Issued	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.

PROPERTY NAME	NUMBER OF PROJECT-BASED VOUCHERS		STATUS AT END OF PLAN YEAR**	RAD?	DESCRIPTION OF PROJECT
	Planned*	Actual			
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	Leased/Issued	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.
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.
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.

PROPERTY NAME	NUMBER OF PROJECT-BASED VOUCHERS		STATUS AT END OF PLAN YEAR**	RAD?	DESCRIPTION OF PROJECT
	Planned*	Actual			
Orchard Ranch (Formerly Morgan Hill Family – Scattered Site)	40	40	Leased/Issued	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.
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.
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

PROPERTY NAME	NUMBER OF PROJECT-BASED VOUCHERS		STATUS AT END OF PLAN YEAR**	RAD?	DESCRIPTION OF PROJECT
	Planned*	Actual			
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	Leased/Issued	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.
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.
The Veranda	0	6	Leased/Issued	No	New construction project consisting of 18 studio units for senior tenants. 6 PBVs are reserved for chronically homeless senior families.

PROPERTY NAME	NUMBER OF PROJECT-BASED VOUCHERS		STATUS AT END OF PLAN YEAR**	RAD?	DESCRIPTION OF PROJECT
	Planned*	Actual			
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.
Villas on The Park	83	83	Committed	No	83 studio units for chronically homeless individuals
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.

1891

1996

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:

The planned unit count and the actual unit counts do not match due to the transition from old report format to the new report format. In the previous report format, actual existing Project Based Vouchers were counted after entering into a HAP contract. The new format counts actual units at AHAP. SCCHA has now transitioned to the new MTW Plan and Report format.

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

Nine residents of the Buena Vista Mobile Home Park exercised their right to take the early voluntary relocation settlement agreement. No new residents will be allowed to occupy the vacant homes. The Laurel Grove project move-in began November 1, 2018 and was stabilized on December 31, 2018.

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

The agency did not undertake any new capital expenditures during this fiscal year. SCCHA completed construction of Laurel Grove Family Apartments (82 units) and continued construction of Park Avenue Senior Apartments (100 units) but did not expend additional MTW funds during the fiscal year.

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	201,300	188,064	16,775	15,672
Local, Non-Traditional: Tenant-Based	0	0	0	0
Local, Non-Traditional: Property-Based	10,740	9,623	895	802
Local, Non-Traditional: Homeownership	0	0	0	0
Planned/Actual Totals	212,088	197,735	17,674	16,748

* "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 plan anticipated the use of MTW funds at a project (El Parador – 125 units) that did not occur during the fiscal year. Because nine tenants at Buena Vista Mobile Home Park elected the voluntary relocation package and will not be replaced, the affordable unit count at the project was reduced.

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	N/A	0	0	0	0
Property-Based	Create Affordable Housing Preservation Fund for Affiliate-Owned Properties / Activity 2012-4	10,740	9,623	895	802
Homeownership	N/A	0	0	0	0
Planned/Actual Totals		10,740	9,623	895	802

* 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 new and expanded existing 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 preservations funds.
Local, Non-Traditional	SCCHA did not have any issues related to leasing of these units.

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	686	Closed	No
Federal MTW Housing Choice Voucher Program	Program Specific	4,406	Closed	No
Project-Based Local, Non-Traditional MTW Housing Assistance Program	Site Based	6,638	Partially open	Yes

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	The waiting lists at Blossom River Apartments and Pinmore Garden Apartments were updated and individuals were removed from the list during the plan year. The waiting lists at Morrone Gardens, Helzer Court Apartments, Laurel Grove Apartments, and Clarendon Street Apartments were opened during the plan year.

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	5
49%-30% Area Median Income	28
Below 30% Area Median Income	14
Total Local, Non-Traditional Households Admitted	47

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%	6,986	43%	10%
2 Person	23%	3,946	24%	1%
3 Person	18%	2,175	13%	-5%
4 Person	13%	1,437	9%	-4%
5 Person	7%	976	6%	-1%
6+ Person	6%	701	4%	-2%
TOTAL	100%	16,221	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 FY2019, approximately half of the issued vouchers were 1-bedroom subsidy size for families with a single household member. One-third of one-bedroom vouchers went to families in the Chronically Homeless Direct Referral (CHDR) program. The CHDR program assists chronically homeless individuals, a population that typically have a family size of one. Approximately 80% of SCCA's PBV portfolio is SRO, studio, or 1-bedroom units.

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	181	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>
	181	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 45 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

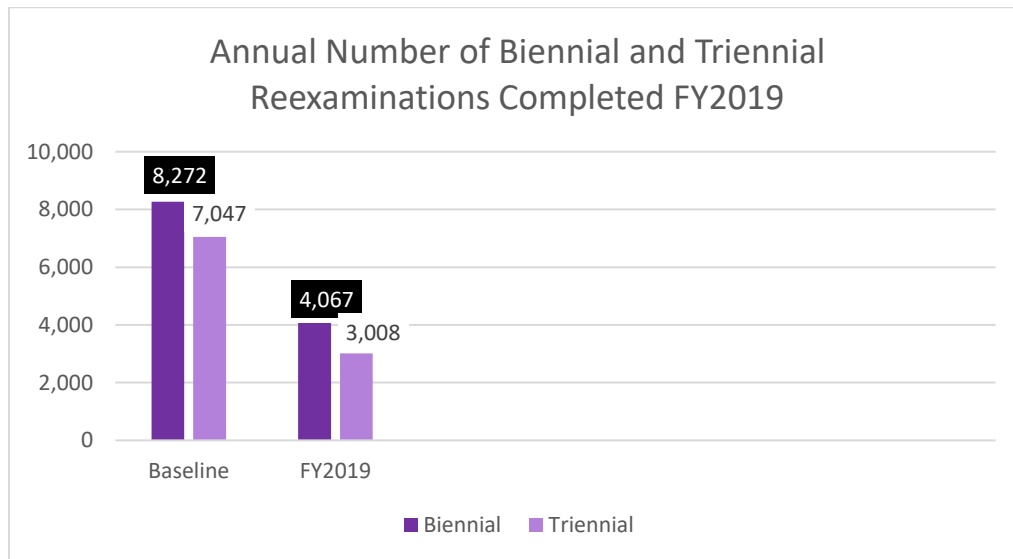
The labor hours saved as a result of this activity allows SCCHA to improve the assistance it provides to clients, stakeholders and partners, as SCCHA continually works to enhance and refine program efficiencies.

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 between regular reexaminations to enjoy the benefits of higher income.

UPDATE ON MTW ACTIVITY

In FY2019, 7,075 biennial and triennial reexaminations were completed, which demonstrates a 54% 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 28,865 labor hours when processing regular reexaminations in FY2019 which resulted in a labor savings of 33,065 hours as compared to the baseline year. The potential savings resulting from this reduction of workload is valued at approximately \$1,007,779 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 FY2019.

IMPACT OF RENT REFORM ACTIVITY

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

In FY2019, 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).	\$1,887,553	\$943,776	\$879,774	Yes
CE #2: Staff Time Savings				
Total time to complete the task in staff hours (decrease).	61,930	30,965	28,865	Yes
CE #5: Increase in Tenant Rent Share				
Tenant rent share in dollars (increase).	\$8,065,166	\$8,065,166*	\$5,760,801	No
SS #1: Increase in Household Income				
Average earned income of households affected by this policy in dollars (increase).	\$23,021	\$23,021**	\$23,846	Yes
SS # 3: Increase in Positive Outcomes in Employment Status				
Number of Head of Households employed.	4,317	4,317*	4,282	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*	251	Yes
Number of Head of Households in Other Category (ex: receiving TANF, SSI, Child Support, General Assistance, etc.).	15,211	15,211*	11,708	Yes
SS # 4: Households Removed from Temporary Assistance for Needy Families (TANF)				
Number of households receiving TANF assistance (decrease).	1,955	1,955*	708	Yes
SS #8: Households Transitioned to Self-Sufficiency				
Number of households transitioned to self-sufficiency (increase).*****	322	322**	181	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 FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity’s metrics during FY2019. The baselines and benchmarks have been updated to reflect the labor costs based upon compensation rates for FY2019 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 FY2019.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

In FY2019, 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 FY2019, SCCHA utilized the extended 120-day document submission window for the voucher issuance of 87 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 \$819 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).	\$819	\$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 FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics FY2019. The baselines and benchmarks have been updated to reflect the labor costs based upon compensation rates for FY2019.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

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 FY2019 SCCHA issued 252 additional CHDR vouchers. SCCHA has now issued all 500 additional vouchers allocated to the activity in FY2017. By the end of FY2019, 222 CHDR voucher recipients found housing. SCCHA did not meet the current benchmarks for Metrics HC #5 and HC #7 because 6 households who received vouchers during FY2019 let the terms, including extensions, of their vouchers expire without finding housing units and 24 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)	758	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)	758	No

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2019.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The benchmarks for metrics HC#5 and HC#7 were not met because some of the issued vouchers expired before the recipient was able to find housing and some voucher recipients continued to search for housing after the end of the fiscal year. SCCHA 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 46 PBV vacancies lasting longer than 30 days in FY2019. 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 activity saved the agency 11.5 hours of labor and approximately \$702.

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).	\$2,105	\$1,403	\$1,403	Yes
CE #2: Staff Time Savings				
Total time to complete the task in staff hours (decrease).	34.5 hours	23 hours	23 hours	Yes

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics FY2019. The baselines and benchmarks have been updated to reflect the labor costs based upon compensation rates for FY2019.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

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 FY2019, SCCHA completed 215 initial certifications, each taking approximately three hours. Through this activity, SCCHA saved approximately 179 staff hours to gather and calculate the annual household income of the 215 families and reduced the total cost of verification of income and assets by \$5,087.

The Agency has saved 1,140 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 \$28,209. 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 - FY2015	FY2016	FY2017	FY2018	FY2019	Totals
# of Tax-Credit New Admissions Completed Using Owner-Provided TIC.	658	117	178	201	215	1,369
# of Labor Hours Saved.	548	98	148	167	179	1,140
Labor Dollars Saved.	\$12,609	\$2,245	\$3,637	\$4,630	\$5,087	\$28,209

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).	\$25,494	\$20,233	\$20,233	Yes
CE #2: Staff Time Savings				
Total time to complete the task in staff hours (decrease).	824 hours	645 hours	645 hours	Yes

ACTUAL NON-SIGNIFICANT CHANGES

There are no non-significant changes to this activity in FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics during FY2019. Wage data used to calculate the total cost of the task and labor dollars saved was updated to account for FY2019 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 FY2019.

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 FY2019, SCCHA project-based more than 25% of units in 8 different projects. SCCHA used this activity to exceed the 25% cap on PBV units and project-base an additional 204 units at 8 different projects with 368 total units. To date SCCHA has project based 314 units at 15 different projects using this activity. Supportive services were available (but participation was not required) on-site for all the units in the projects referenced above.

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.	311	0	0	Yes

ACTUAL NON-SIGNIFICANT CHANGES

There are no non-significant changes to this activity in FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines, or benchmarks during FY2019. The baseline was updated to 311 from FY2018's 107 to account for the additional PBV units added under this activity.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

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

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 FY2019 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, nor any amendments during FY2019.

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 518 interim reexaminations resulting from a change in family composition. SCCHA did not meet its cost savings benchmark with a total of \$298,577,604 in HAP payments for FY2019. SCCHA's HAP payments increased due to the continued increase in Santa Clara County's 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 Santa Clara County rental market rents, combined with a marked increase in the number of owner-requested rent adjustments and the continued implementation 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	\$298,577,604	No

*This metric reflects a slight HAP increase of \$16,265,107. HAP changes are a result of an increase in the Santa Clara County 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 FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2019.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The challenges in achieving this activity's benchmark savings are a result of Santa Clara County'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.

Landlord Loyalty and Vacancy payments to landlords under Activity 2017-3, Landlord Initiatives, continues to contribute to the increase in HAP payments made in FY2019. 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. Most participant families have assets under \$50,000.

UPDATE ON MTW ACTIVITY

In FY2019, SCCHA completed income calculations for 5,330 MTW families with assets under \$50,000. This activity saved 888 labor hours and \$27,849 in FY2019.

SCCHA has saved a total of 7,842 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 FY2019.

Metrics	FY2010 – FY2015	FY2016	FY2017	FY2018	FY2019	Totals
# of transactions completed for families reporting assets under \$50,000.	27,594	5,156	4,282	4,691	5,330	47,053
# of Labor Hours Saved.	4599	859	714	782	888	7,842
Labor Cost Saved.	\$130,461	\$23,046	\$19,157	\$23,929	\$27,849	\$224,442

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).	\$640,533	\$612,684	\$612,684	Yes
CE #2: Staff Time Savings				
Total time to complete the task in staff hours (decrease).	20,431 hours	19,543 hours	19,543 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 FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to this activity's metrics during FY2019. Wage data used to calculate the total cost of the task and labor dollars saved was updated to account for FY2019 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 FY2019.

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 November 1, 2018 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 FY2019 as a result of an increase in payment standards on November 1, 2018.

In FY2019, there were 3,321 MTW families who had an increased payment standard applied at an interim reexamination. Of those families who had an increased payment standard, 1,514 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 204 after the application of the increases in the payment standards.

In addition, 7 families who had an increased payment standard moved from their unit, of which 4 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 9 labor hours with a total cost of \$276 processing move-outs for the 4 families who had a rent burden when they moved. SCCHA also realized cost savings of at least \$104,151 and

time savings of 3,322 labor hours in not processing moves for all the families who benefitted from this activity. SCCHA anticipated this activity would reduce the number of rent burdened families moving from their unit by 20 percent. 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.

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).	\$104,427	\$83,548	\$276	Yes
CE #2: Staff Time Savings				
Total time to complete the task in staff hours (decrease).	3,331	2,665	9	Yes

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2019.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

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

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

PLAN YEAR APPROVED: FY2010

IMPLEMENTED: FY2010

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

This activity, implemented in FY2010, 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 FY2019. 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).	\$11,714	\$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 are no non-significant changes to this activity for FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

The Baseline Cost Savings was updated to reflect the wages and costs of newspaper publication for FY2019.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes, nor any amendments during FY2019.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The benchmarks were achieved and there were no challenges for FY2019.

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, allows 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 FY2019 there was one approval 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 eight households. As a result, those 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	8	Yes

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2019.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

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

There were no updates to this activity during FY2019.

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 actual non-significant changes to this activity during FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines, or benchmarks during FY2019.

ACTUAL SIGNIFICANT CHANGES

There were no actual significant changes to this MTW activity during FY2019.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

There were no challenges in achieving benchmarks and possible strategies to this MTW activity during FY2019.

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 FY2019, 86 eligible PBV families moved and received continued housing assistance through tenant-based vouchers. SCCHA saved approximately 34 hours in labor hours this year resulting in labor cost savings of \$1,674. Tenant-based vouchers were available for eligible PBV families wanting to move with continued housing assistance during FY2019. 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).	\$5,461	\$2,731	\$3,787	No
CE # 2: Staff Time Savings				
Total time to complete the task in staff hours (decrease).	110	55	76	No

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2019.

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 FY2019.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

SCCHA has been pulling applicants from the HCV waiting list. If a PBV tenant is pulled from the HCV waiting list, an HCV is offered. SCCHA was not pulling as many applicants from the waiting list in previous years causing more moves by PBV tenants this year compared to previous years.

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 completed construction on the Laurel Grove Family Apartments (Laurel Grove). Construction on the adjacent Park Avenue Senior Apartments (Park Avenue), previously referred to as the 777 Park Avenue Housing Project continues with completion expected in early 2020. The 81 affordable units at Laurel Grove completed lease up in December 2018. Park Avenue includes 99 affordable senior units and one manager unit. 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 with the intent 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. During the FY2019 SCCCHA worked on the design of the projects and submitted a planned development permit application to the City of San Jose. SCCCHA also permanently relocated approximately a dozen households and businesses in order to demolish

the existing, aging structures and clear the site for construction. Relocation was done in accordance with State and Federal relocation requirements.

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 May of 2019, the Board of Commissioners approved the master plan for the site. SCCHA spent \$600,000 on master planning and entitlement work in the fiscal year.

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 FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines, or benchmarks during FY2019.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

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 FY2022, 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

SCCHA committed \$2 million for predevelopment costs associated with the work required for the park improvement and implementation plan. Caritas, the park operator, spent \$725,000 of the predevelopment funds on predevelopment efforts in FY2019. Caritas drafted a park improvement plan currently under review by SCCHA. SCCHA did not use this activity for the preservation of additional properties during FY2019. SCCHA planned on refinancing one additional property during FY2019, but the refinance will occur next fiscal year. Since June of 2018, SCCHA has preserved four multi-family projects 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	\$19,923,961	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 FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines, or benchmarks during FY2019.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

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: FY2016

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)	\$470	\$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	\$5,760,801	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 FY2019.

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 FY2019.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

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 SCCA’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

Activity 2014-4 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. This 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 FY2019, 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 \$298,577,604 in HAP payments for FY2019. A competitive rental market and a larger number of rent adjustments processed in FY2019 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	\$298,577,604	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%	4%	Yes
CE #5: Increase in Tenant Rent Share				
Tenant rent share in dollars (increase).	\$8,065,166	\$8,065,166	\$6,896,657	No

* This metric reflects a slight HAP increase of \$16,265,107. 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 FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2019.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

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 \$298,577,604 in HAP payments for FY2019. A competitive rental market and a larger number of rent adjustments processed in FY2019 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: SCCHA met its benchmark in the number of rent calculation errors documented through quality control audits. The simplification of the rent calculation process and additional staff training contributed to the agency's ability to meet its projected benchmark of less than 5% with a 4% average error rate in completing a task.

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 FY2019 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. In FY2018, SCCHA increased the payment standards to 110 percent of the FY2017 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 FY2019, 416 PBV units had 30-day HQS deficiencies which did not require recheck inspections. As a result, SCCHA realized approximately \$12,321 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 FY2019.

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 FY2019.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

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

In FY2019, SCCHA project-based 10 units in Met South, 6 of those being for seniors 55 years or older. With 814 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	780	819	Yes

* Outcome assumes that 780 households will initially benefit from the activity the first year of implementation and then assumes a 5% vacancy rate (39 households) which will be filled with new households benefiting from the activity through 2020.

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

The FY2017 Annual Report stated the addition of Fuji Towers as a senior PBV property for which this activity was applicable to. The HC #5 Outcome in that report included the 104 PBV units from this property. However, since Fuji Towers has an age requirement of 62 years or older, this current Outcome total has been corrected to exclude those units.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

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 FY2019, SCCHA utilized this activity to project-base nine (9) projects without competition. SCCHA selected the Sango Court, Page Street, Corvin, Agrihood, Alum Rock, Blossom Hill, Curtner Studios, Evans Lane, and West San Carlos 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 FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2019.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

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 FY2019, the rental market vacancy rate remained consistent at approximately three percent, well below the five percent minimum threshold needed for the application of new subsidy standard for families remaining in place. This activity allowed families to remain in place, with a higher subsidy size than the current subsidy standard, avoiding the need to search for affordable housing in the tight Santa Clara County rental market in FY2019.

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.	1,742	0	0	Yes

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes made to the activity in FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines, or benchmarks in FY2019

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

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

ACTIVITY 2017-2: SPECIAL NEEDS POPULATION DIRECT REFERRAL PROGRAM

PLAN YEAR APPROVED: FY2017

IMPLEMENTED: FY2019

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

The Special Needs [Populations] Direct Referral (SNDR) program is a locally designed program that serves Special Needs populations including: disabled individuals at risk of institutionalization and transition aged youth (youth transitioning out of foster care who are at risk of becoming homeless). Following a housing-first model, special needs populations are referred directly from the County's Office of Supportive Housing into project-based units and connected with case management services. The case management includes services to help families maintain housing stability and to improve the health and well-being of people who have experienced housing instability.

IMPACT OF MTW ACTIVITY

This activity, implemented in November 2018, provides increased housing choices for the special needs population.

UPDATE ON MTW ACTIVITY

The activity, implemented in November 2018, allowed SCCHA to house 45 individuals and families who, otherwise, would not have been assisted as SCCHA's wait list is currently closed. SCCHA is reporting on a portion of the year and so we have not yet met our benchmark or baseline for HC #7: Households Assisted by Services that Increase Housing Choice.

STANDARD HUD METRICS

ACTIVITY 2017-2: SPECIAL NEEDS POPULATION DIRECT REFERRAL PROGRAM				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
HC #3: Decrease in Wait List Times				
Average applicant time on waitlist in months (decrease)	87	0	0	Yes
HC #4: Displacement Prevention				
Number of households at or below 80% AMI that would lose assistance or need to move (decrease). If units reach a specific type of household, give that type in this box. Special Needs Populations as described above.	100	0	0	Yes
HC #7: Households Assisted by Services that Increase Housing Choice				
Number of households receiving services aimed to increase housing choice (increase).	0	100	45	No

ACTUAL NON-SIGNIFICANT CHANGES

When originally proposed in the FY2017 MTW Plan, the baselines and benchmarks were reversed for metrics HC#3 and HC#4. They have been corrected here.

ACTUAL CHANGES TO METRICS/ DATA COLLECTION

HUD Standard Metric CE#4 was removed from this activity. This activity was proposed before final details and community partnerships were established. The case management services provided under this activity are funded by Santa Clara County's Office of Supportive Housing, SCCHA's partner in this activity.

ACTUAL SIGNIFICANT CHANGES

There are no changes as this activity was implemented this fiscal year.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

The benchmark for HC #7 has not been met as this activity was implemented during FY2019 and has not yet been implemented for a full year.

ACTIVITY 2017-3: LANDLORD INITIATIVE

PLAN YEAR APPROVED: FY2017

IMPLEMENTED: FY2017

AMENDED: FY2018 & FY2019

DESCRIPTION OF MTW ACTIVITY

Activity 2017-3 allows SCCHA to provide HCV program owners who re-rent their unit to an HCV participant with vacancy payments. As approved in FY2017, Vacancy Payments, equal to 80 percent of the contract rent for up to 30 days are payable to Project based Voucher (PBV) and Section 8 Moderate Rehabilitation (MR8) units. In FY2018 this activity was amended to set the vacancy payment amount for Section 8 Housing Choice Voucher (HCV) units to include shared housing units, between \$500 and \$1,500 – an amount that was determined to be reasonable after evaluating the program-wide contract rent average. The Section 8 HCV vacancy payment is now referred to as the Landlord Loyalty Payment. The Landlord Loyalty 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 expanded to include an incentive payment, referred to as the Landlord Bonus Payment, that is payable to new landlords who rent a unit to a Section 8 family. The bonus payment amount ranges between \$500 and \$2,500.

IMPACT OF MTW ACTIVITY

This activity increases the number of HCV units that are newly leased or 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

In FY2019, a total of 385 units, that might have otherwise been removed, were retained as part of the HCV program as a result of Landlord Loyalty and Vacancy Payments made to landlords. An additional 77 units were added through the implementation of Landlord Bonus Payments in the latter half of FY2019. A total of 462 units were preserved for households at or below 80% of the area median income, exceeding the benchmark set in FY2015 based on the number of HCV unit turnovers.

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	462	Yes

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2019.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

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

ACTIVITY 2019-2: FAMILY SELF-SUFFICIENCY PROGRAM – WAIVE CONTRACT OF PARTICIPATION REQUIREMENTS

PLAN YEAR APPROVED: FY2019

IMPLEMENTED: FY2019

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

With this activity waives the requirement that a family enrolling in the FSS program must have an interim or annual reexamination conducted within 120 days of the Contract of Participation (CoP) effective date. Due to SCCHA’s biennial reexamination schedule, many working families’ rent portions have not been reviewed for almost two years. Therefore, the required FSS interim reexamination may result in an increased income and tenant rent portion. By waiving the 120-day requirement, enrolling FSS participants will start the program at the pre-determined income and tenant rent portion, and as a result, when an income increase is captured at the next interim or annual reexamination, they will be able to experience an increase to their escrow account savings.

This activity also waives the requirement that the Head of Household (HOH) of the FSS family must maintain suitable employment and complete the requirements of the CoP before the family can be classified as a “successful FSS completion.” This activity allows families to be classified as a “successful FSS completion” and receive escrow if at least one adult household member completes an Individual Training and Services Plan (ITSP) and is suitably employed at graduation. Under this activity, the HoH is still held to the requirements of the CoP and ITSP, but another household member who established ITSP goals could be the one to fulfill the final goal of maintaining suitable employment.

IMPACT OF MTW ACTIVITY

This activity allows SCCHA to broaden the pool of families who could benefit from the FSS program’s escrow savings account to include families where the HoH is unable to work due to disability or other reasons.

UPDATE ON MTW ACTIVITY

SCCHA implemented this activity in FY2019. SCCHA updated its FSS Action Plan waiving the requirement that a family have an interim or annual reexamination no earlier than 120 days prior to entry into the FSS program. The FSS Action Plan was also updated to waive the COP requirements allowing family members other than the HOH to complete the ITSP. HUD reviewed and approved the adding of the SCCHA's MTW activities to the FSS action plan. Beginning in early FY2019, families enrolled in the FSS program under the new terms.

STANDARD HUD METRICS

Activity 2019 - 2: Family Self Sufficiency Program - Waive Contract of Participation Requirements				
Unit of Measurement	Baseline	Benchmark	Projected Outcome	Benchmark Achieved?
SS#1: Increase Household Income				
Average earned income of households affected by this policy in dollars (increase).	\$22,222	\$26,060	\$30,241	Yes
SS#2: Increase Household Savings				
Average amount of savings/escrow of households affected by this policy in dollars (increase).	\$0	\$5,056	\$6,015	Yes
SS#5: Households Assisted by Services that Increase Self-Sufficiency				
Number of households receiving services aimed to increase self-sufficiency (increase).	232	268*	322	Yes
SS#8: Households Transitioned to Self-Sufficiency				
Number of households transitioned to self-sufficiency (increase).**	0	4	4	Yes
CE#1: Agency Cost Savings				
Total cost of task in dollars (decrease).***	\$8,089	0	0	Yes
CE#2: Staff Time Savings				
Total time to complete the task in staff hours (decrease).***	66	0	0	Yes

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes made to the activity in FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no significant changes to the activity during FY2019.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

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

ACTIVITY 2019-3: WAIVING THE REQUIREMENT THAT A PHA RE-DETERMINE RENT REASONABLENESS FOR MANUFACTURED HOMES ANNUALLY

PLAN YEAR APPROVED: FY2019

IMPLEMENTED: FY2019

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

This activity eliminates the HUD requirement that a PHA must annually re-determine that the current rent to owner is reasonable for a manufactured home space. SCCHA will continue to perform a full rent reasonableness review at the time of a new contract, owner requested rent changes, tenant request, or when deemed necessary by SCCHA staff. Because rent reviews continue after implementation of this activity, the protections of rent reasonableness determinations will remain available to the agency without additional costs.

IMPACT OF MTW ACTIVITY

This activity decreases the SCCHA staff time required to process additional rent reasonableness reviews for manufactured home space rentals. Numerous variables affect the amount of staff time it takes to perform the rent reasonableness review for all the manufactured homes in the program. SCCHA estimates that each rent review takes approximately 42 minutes to complete, if no owner negotiation is needed. The saved staff time is reflected in cost savings, increasing the cost efficiency in operating the HCV program.

UPDATE ON MTW ACTIVITY

SCCHA was able to utilize this activity to perform rent reasonableness for manufactured home space rentals under the same policy as that of other housing assistance types on the HCV program. SCCHA did perform a rent reasonableness for a manufactured home space rental; however, that rent reasonableness check was performed as part of a rent adjustment request and not due to HUD policy.

STANDARD HUD METRICS

Activity 2019 - 3: Waiving the Requirement that a PHA Re-determine Rent Reasonableness For Manufactured Home Spaces Annually				
Unit of Measurement	Baseline	Benchmark	Projected Outcome	Benchmark Achieved?
CE #1: Agency Cost Savings				
Total cost of task in dollars (decrease)	\$750	\$0	\$0	Yes
CE #2: Staff Time Savings				
Total time to complete the task in staff hours (decrease)	42 min per unit	0 hours	0	Yes

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

There were no changes to the activity's metrics, baselines or benchmarks during FY2019.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

CHALLENGES IN ACHIEVING BENCHMARKS AND POSSIBLE STRATEGIES

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

ACTIVITY 2019-4: STREAMLINING THE LEASE-UP PROCESS

PLAN YEAR APPROVED: FY2019

IMPLEMENTED: FY2019

AMENDED: N/A

DESCRIPTION OF MTW ACTIVITY

This activity revised the lease-up process in order to alleviate the delays associated with processing and completing the Request for Tenancy Approval (RFTA) packet, tenancy addendum, and lease. The standard form documents, especially Form HUD-52517 and the information that is required to be in the lease, can be confusing to owners and tenants alike. Owners singled out the RFTA process as a source of frustration, and standard form HUD-52517 was specifically identified as a significant hurdle. The standard form requires owners to fill in information which is already obtained elsewhere, thus being redundant. In addition, this activity simplifies some of the HUD requirements related to the lease between the tenant and owner. For example, HUD requires that the HAP contract and the lease must have matching lease terms and utility responsibilities. Any mismatch, no matter how insignificant, results in delays as staff must confer with the owner to rectify the mistake. As part of this activity SCCHA has created a Mandatory Lease Information form that ensures that the lease and HAP contract match, thus alleviating the back and forth with owners to make corrections.

This activity alleviated the concerns from owners by waiving 24 CFR §982.162 and §982.308 as necessary and changed the requirement of using Form HUD-52517 to simplify and streamline what constitutes as an approvable lease.

IMPACT OF MTW ACTIVITY

This activity improved customer service and communication between SCCHA and its participating owners and reduced the time necessary for the completion of the RFTA and lease up processes. By retaining current owners and attracting new owners to the program, this activity increased housing choices for Section 8 tenants. Furthermore, staff time dedicated to the RFTA process was which has resulted in administrative cost savings.

UPDATE ON MTW ACTIVITY

SCCHA was able to utilize this activity to streamline the lease-up process by adding the Mandatory Lease Information form and redesigning the RFTA. Because the Mandatory Lease Information form prevails over information obtained elsewhere in the RFTA, tenancy addendum, and lease, interactions between owners and staff to verify or rectify mistakes has decreased. Staff time to process new contracts has been reduced.

STANDARD HUD METRICS

Activity 2019 - 4: Streamlining the Lease-Up Process				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
CE #1: Agency Cost Savings				
Total cost of task in dollars (decrease)	\$6,300	\$0	\$0	Yes
CE #2: Staff Time Savings				
Total time to complete the task in staff hours (decrease)	200	0	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	0	0	Yes

ACTUAL NON-SIGNIFICANT CHANGES

There were no non-significant changes to this activity during FY2019.

ACTUAL CHANGES TO METRICS/DATA COLLECTION

The metric HC#1: Additional Units of Housing Made Available was removed from this activity during FY2019. As implemented this activity reduces the staff time required when processing a Request for Tenancy Approval packet and does not increase housing choices for program participants.

ACTUAL SIGNIFICANT CHANGES

There were no significant changes to the activity during FY2019.

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 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>In the FY2020 Annual Plan, SCCHA amended this activity to include a restriction on the ability of Focus Forward Program participants to exercise outgoing portability.</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.</p> <p>SCCHA issued a Request for Proposal during FY2019 for a vendor to fully implement and administer both 2014-1a and 2014-1b. The consultant was hired in the spring of 2019, and the entire process of developing policies, procedures, and forms, as well as training staff and contracting with community partners is expected to take at least one year.</p>

Activity	Year Approved	Description	Action Taken During the Fiscal Year
2014-2 Eliminate Requirement to Re-Determine Rent Reasonableness when HUD decreased Fair Market	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.
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. See 2014-1a and 2014-1b.
2017-4 Setting Payment Standards Above 110 Percent of HUD Fair Market Rents	FY2017	HUD regulations require that payment standards are set between 90 and 110 percent of HUD issued Fair Market Rents (FMRs). This activity authorizes SCCHA's Board of Commissioners to approve a countywide payment standard of up to 130 percent of the FMR without prior HUD approval. The flexibility to allow SCCHA to increase the payment standard will allow our participants to be more competitive in the high-priced Santa Clara county rental market, when needed	SCCHA staff continues to monitor the rental conditions in Santa Clara County. The Agency did a rent survey study, which was submitted to HUD. As a result, County FMRs increased significantly and so SCCHA has not had to increase its payment standards above 110% of the current FMRs. As noted in the implementation plan, SCCHA may implement this activity when the local housing market experiences another surge in cost that is not reflected in the FMRs.

Activity	Year Approved	Description	Action Taken During the Fiscal Year
2018-1 Strengthening Partnerships through Capacity Building	2018	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 issued a Request for Proposal during FY2019 for a vendor to fully implement and administer both 2014-1a and 2014-1b. The consultant was hired in the spring of 2019, and the entire process of developing policies, procedures, and forms, as well as training staff and contracting with community partners is expected to take at least one year. See 2014-1a and 2014-1b.
2019-1 Graduation Bonus	FY2019	Activity 2019-1: Graduation Bonus. Participants whose income has increased to the point where the HAP paid to landlords on their behalf is less than \$100 will be removed from the Section 8 program after a 60-day notice and will be paid a bonus of \$2,000 per eligible individual. "Eligible individuals" is defined as members of the HCV participant family who have eligible immigration status and does not include live-in aides, foster adults, or foster children. The bonus is contingent on a positive exit from SCCHA's Section 8 program.	SCCHA is in the process of changing the structure of its waiting list to a permanently-open interest list, which is expected to be implemented in late FY2020 or early FY2021. This activity will be fully implemented once the transition to the new interest list system is complete.

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	<p>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.</p>	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	<p>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.</p>	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 SCCCHA-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 FY2019, SCCHA used its MTW Single Fund Flexibility to pay for housing search services for participants who are experiencing challenges in finding a rental unit. The Agency also pursued several projects, such as upgrading the owner portal, developing and implementing a tenant portal, and expanding e-signature capabilities. In addition, the Agency is creating a web-based application for registering applicants for Section 8 assistance. The app is expected to launch in March 2020.

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 FY2019 that required SCCHA to take action.

B. EVALUATION RESULTS

No 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: FY2019 Certification of Compliance with Statutory Requirements



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

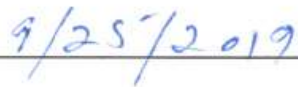
scchousingauthority.org

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 2019:

- 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


Date

Appendix Two: Approved MTW Activities for the FY2019 Reporting Period

Approved MTW Activities for the FY2019 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 HACSC- 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
IMPLEMENTED IN FY2019				
2017-2	Special Needs Population Direct Referral Program			X
2019-2	Family Self-Sufficiency Program (FSS) – Waive Contract of Participation Requirements		X	
2019-3	Waiving the Requirement That a PHA Re-Determine Rent Reasonableness for Manufactured Homes Annually	X		
2019-4	Streamlining the Lease-up Process	X		X
ACTIVITIES NOT YET IMPLEMENTED				
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	
2017-4	Setting Payment Standards Above 110 Percent of HUD Fair Market Rents			X
2018-1	Strengthening Partnerships through Capacity Building		X	
2019-1	Graduation Bonus		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
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: FY2018 Independent Auditor's Report (OMB-A-133) for SCCHA

SANTA CLARA COUNTY
HOUSING AUTHORITY

Single Audit Reports
For the Year Ended June 30, 2018



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SANTA CLARA COUNTY HOUSING AUTHORITY
(A Component Unit of the County of Santa Clara)
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June 30, 2018

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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
Santa Clara County Housing Authority
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 Santa Clara County Housing Authority, California (Authority) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 21, 2018. 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 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.

Macias Gini & O'Connell LLP

Walnut Creek, California
November 21, 2018



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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
Santa Clara County Housing Authority
San Jose, California

Report on Compliance For Each Major Federal Program

We have audited the Santa Clara County Housing Authority, 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 the Authority's major federal program for the year ended June 30, 2018. The Authority's major federal program is 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 the Authority's major federal program 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 its major federal program for the year ended June 30, 2018.

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 the major federal program to determine the

auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated November 21, 2018, 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
November 21, 2018

**SANTA CLARA COUNTY
HOUSING AUTHORITY**
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Grantor/Pass-Through Grantor/Program Title	Grantor Identifying Number	Federal CFDA Number	Expenditures
U.S. Department of Housing and Urban Development:			
<i>Direct:</i>			
Continuum of Care	n/a	14.267	\$ 91,489
Section 8 Project Based Cluster:			
Lower Income Housing Assistance Program -			
Section 8 Moderate Rehabilitation	n/a	14.856	1,247,370
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	n/a	14.871	19,029,251
Mainstream Vouchers	n/a	14.879	900,470
Subtotal Housing Voucher Cluster			<u>19,929,721</u>
Family Self Sufficiency	n/a	14.896	359,939
Moving To Work Demonstration Program	n/a	14.881	<u>361,906,803</u>
Total expenditures of federal awards			<u>\$ 383,535,122</u>

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

**SANTA CLARA COUNTY
HOUSING AUTHORITY**

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

NOTE 1 – GENERAL

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Santa Clara County 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.

**SANTA CLARA COUNTY
HOUSING AUTHORITY**
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

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)?	No
Identification of major program?	14.881 - Moving To Work Demonstration Program
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.

Section III - Federal Award Findings and Questioned Costs

None reported.



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Santa Clara County Housing Authority
Summary Schedule of Prior Year Findings
For Fiscal Year Ended June 30, 2018

Summary Schedule of Prior Audit Findings

Reference Number	2017-001 – Matching Continuum of Care – CFDA #14.267 <i>Control Deficiency in Internal Control over Compliance Incident of Noncompliance</i>
Audit Finding	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 2017 year, 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.
Recommendation	The Authority was recommended to require the County provide service reports more frequently, and to work with the County in providing 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.
Status	The finding is not applicable in 2018. The Authority transferred the following Continuum of Care grants: <ul style="list-style-type: none"> • 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.