

**HOUSING
AUTHORITY**
of the COUNTY of SANTA CLARA
Leaders in Making a Difference.



**Moving to Work (MTW) Program
Fiscal Year 2010**

**Combined Annual Plan for the Housing Authorities of
the County of Santa Clara and the City of San Jose**

**THE HOUSING AUTHORITY OF THE
COUNTY OF SANTA CLARA
(HACSC)**

Board of Commissioners

Bill Anderson, Chair

Kathy Espinoza-Howard, Vice Chair

Harry Adams

Carl Guardino

Verna Hayden

John Scrempo

Tom Seccombe

Executive Director

Alex Sanchez

Senior Management Team

Candace Capogrossi, Deputy Executive Director of Housing Programs

Jacque Hansen, Deputy Executive Director of Operations

Louise Hofmeister, Director of Housing Programs

Bakulesh Patel, Finance Director

Vanessa Cooper, Director of Real Estate Services

Julie Moss, Director of Human Resources

Leland Alcosiba, Director of Information Technology

Renato Regino, General Services Director

TABLE OF CONTENTS

Section I:	Introduction and Overview	Page 5
	Executive Summary	Page 6
	Mission	Page 6
	MTW Goals and Objectives	Page 7
	MTW Activities	Page 8
Section II:	General HACSC Operating Information	Page 10
	Housing Stock Information	Page 10
	Leasing Information	Page 12
	Waiting list Information	Page 12
	Supportive Services	Page 13
Section III:	Non-MTW Related HACSC Information	Page 14
Section IV:	Long-term MTW Plan	Page 15
Section V:	Proposed MTW Activities	Page 17
Section VI:	Ongoing MTW Activities	Page 28
Section VII:	Sources and Uses of Funding	Page 41
Section VIII:	Administrative	Page 44

APPENDICES

Appendix One: Board Resolution approving MTW FY2010 Plan Submission

Appendix Two: Documentation of the Public Review Process

Appendix Three: HACSC Moving-to-Work (MTW) Agreement

I. INTRODUCTION AND OVERVIEW

This document describes how the housing authorities serving Santa Clara County and the City of San Jose are using a special federal designation (“MTW”) to be more cost-effective and creative in the way they meet local needs for affordable housing.

Communities across the nation have local housing authorities that provide, among other things, a local administrator for federal housing subsidy programs such as the Section 8 Housing Choice Voucher Program. A few dozen of these agencies have been selected by the U.S. Department of Housing and Urban Development (HUD) to participate in a demonstration program called Moving to Work (MTW). The three major goals for the MTW program, which was established by Congress in 1996, are to:

- increase cost effectiveness in housing program operations,
- promote participants’ economic self-sufficiency, and
- expand participants’ housing options.

MTW agencies are able to pursue these goals through an agreement with HUD that gives them budget flexibility and the authorization to develop policies that are outside the limitations of certain HUD regulations and provisions of the Housing Act of 1937.

In February 2008, HUD signed a 10-year MTW Agreement with the Housing Authority of the County of Santa Clara (HACSC) and the Housing Authority of the City of San Jose (HACSJ). This document represents the combined agencies’ second full-year MTW Annual Plan, covering the period from July 1, 2009, through June 30, 2010. (See sidebar on how the two housing authorities are administered together.)

County/City Working Relationship: HACSC was established in 1967 by the Santa Clara County Board of Supervisors. By an agreement entered into in 1976, the City of San Jose designated the County HACSC as the City’s Agency to administer and manage all existing and future public housing programs within the City of San Jose, which by law would otherwise be so administered and managed by the City Authority. (Geographically, San Jose lies entirely within Santa Clara County.) Under a new agreement in 1996, the City continued the relationship and assigned to HACSC all of its interest in the contracts with HUD commonly known as the Annual Contributions Contract for Section 23 and Section 8. Currently, HACSC administers subsidized housing programs for both the County of Santa Clara and the City of San Jose. As authorized by the MTW Agreement, this MTW Plan presents a consolidated strategy to be implemented for both the County and City programs.

The purpose of this MTW Plan is to establish HACSC’s vision, goals and objectives, and to present proposed and established MTW activities along with related performance measures, seeking HUD approval where appropriate. The Plan also introduces long term plans and activities to be considered throughout the demonstration period.

EXECUTIVE SUMMARY

The HACSC 2010 MTW Plan outlines changes to policies and procedures that the agency is proposing to implement in its second year of the MTW Demonstration. These actions, along with ongoing program changes that were initiated last year, aim to create more efficient programs, to build HACSC's capacity for effective innovation, and to evaluate new services in support of the MTW goals and objectives.

HACSC proposes to pursue the following under MTW in FY2010:

Streamline procedures and reduce administrative burdens in the Housing Choice Voucher Program:

- Eliminate the verification of income that is excluded from the income calculation process;
- Exclude from income calculations any income generated from family assets that total less than \$50,000; and
- Apply the increased, current Payment Standard when performing rent calculations between regular reexaminations.

Realize increased program efficiencies:

- Change currently required administrative elements of the Project-based Voucher program to allow for easier implementation;
- Continue to explore options to allow service providers of chronically homeless families to make direct referrals for assistance under the Voucher Program.

Expand housing options and promote family self-sufficiency through evaluation and design of new policies:

- Analyze service needs to inform planning of future activities;
- Identify and begin to develop or expand the most impactful supportive services for families with the highest needs; and
- Continue to explore and develop relationships with community partners and service providers.

Make best use of its funding:

- Combine resources (public housing and Housing Choice Voucher) under the block grant MTW Program to better use the funding stream to address local program and administrative needs; and
- Use funding flexibility allowed under MTW to responsibly and creatively support local community housing needs.

A. MISSION

HACSC's mission is to improve the lives of low-income families, persons with disabilities, and seniors in the County of Santa Clara by providing affordable, high-quality housing.

B. MTW GOALS AND OBJECTIVES

Participation in the MTW demonstration gives HACSC the ability to make positive program changes and to better respond to local housing needs and realities. As HACSC looks ahead to the second full year of participation in MTW, its goals remain clearly aligned with the three major goals identified by Congress when the demonstration was launched.

1. Increase Cost Effectiveness: *Reduce costs and achieve greater cost-effectiveness in federal expenditures.* To meet this goal, HACSC's objectives are to:

- Develop a more efficient and effective operation by simplifying and streamlining administrative and regulatory requirements;
- Enhance the agency's financial stability and ability to achieve its mission by maintaining balanced budgets and appropriate reserves, over time; and
- Improve its policies and procedures so that they better support program integrity, process efficiency, reduced bureaucracy, and fiscal responsibility.

2. Promote Self-Sufficiency: *Give incentives to families with children where the head of household is working, seeking work, or is preparing for work, by encouraging participation in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.* To meet this goal, HACSC's objectives are to:

- Promote self-sufficiency and asset development to the maximum extent possible among participants by expanding current programs and developing new tools to enhance life skills;
- Improve the quality of life for low-income families by providing direct access to educational, social and economic development services and opportunities;
- Work in partnership with local community organizations to support approaches to ending homelessness and promoting self-sufficiency; and
- Increase the number of low-income families participating in HACSC's homeownership program by partnering with developers, counselors, realtors, and banks.

3. Expand Housing Options for Low-income Families: To meet this goal HACSC's objectives are to:

- Leverage the power of MTW's funding flexibility model to strengthen HACSC's already proven record of success in producing high-quality housing for low-income populations;
- Continue to capitalize on opportunities to improve the vitality of HACSC-owned developments as well as increase the supply of affordable housing through future developments; and
- Take affirmative measures to support and ensure equal housing opportunities for all families participating in HACSC programs.

HACSC's philosophy in creating and carrying out its MTW goals in its Plan address two core values. The first core value is to work collaboratively with all of its stakeholders, including tenants, owners, community constituencies, and other potential partners, and to be sensitive and highly responsive to their diverse needs. Special consideration will be given to the needs of low-, very low-, and extremely low-income families who are current or prospective recipients of housing assistance.

The second core value of HACSC's MTW planning process is to create a superior business model for its operations, with a consistent focus on enhancing its financial sustainability, while ensuring and expanding the resources available for its programs that will support the affordable housing needs of low-income residents of Santa Clara County over the long-term.

C. MTW ACTIVITIES

HACSC will be continuing several promising activities that were begun in FY2009, and will launch some modest initiatives in FY2010 that complement HACSC's early emphasis on streamlining program operations. HACSC's stated philosophy in launching the MTW Demonstration last year remains unchanged: to implement MTW activities gradually over the first few years of the demonstration which will allow time for a planning process that is inclusive and an implementation process that allows for necessary adjustments. The MTW activities to be implemented in FY2010 will continue to be centered primarily on more targeted and tactical changes to regulations and procedures, which are clear in their benefits and relatively simple to implement.

During FY2010, the focus on a few key activities will allow more in-depth analysis, research, and, as needed, modifications to the design of the MTW Plan. Evaluation and refinement of activities will be stepped up in the coming months to match the momentum of operational streamlining and improvements in customer service. Incremental implementation of the MTW plan will also enable HACSC to carefully and iteratively adapt its operations to its MTW funding flexibility capacity.

Under its MTW designation, HACSC's Section 8 funds may be used for all eligible program activities permissible under Section 8(o), 9(d)(1) and 9(e)(1) of the 1937 Housing Act. HACSC will monitor budgetary and financial impacts closely, as well as make financial and programmatic refinements.

The proposed MTW activities for FY2010 complement the ongoing activities and are equally linked to HACSC's three MTW goals. A more detailed description of each of the proposed MTW activities is included in Section V of this Plan.

- 1. Streamlining Procedures and Reducing Administrative Burdens:** As one of the central goals of its MTW Demonstration, HACSC seeks to *increase its cost-effectiveness* by streamlining procedures in the Section 8 HCV Program. These specific changes were designed to ensure maximum efficiency while maintaining the integrity of HACSC's programs and affordable housing stock. Activities in this category include:

- **Eliminating the requirement to verify and calculate certain types of income** including income that is 100% excluded from income calculations (Proposed MTW Activity #1), and asset income for total family assets less than \$50,000 (Proposed MTW Activity #2).
2. **Creating Program Efficiencies** that remove obstacles to allocating HACSC assistance to where it is most needed in a timely manner. In this way, these MTW activities will meet the dual MTW goals of *increasing cost-effectiveness* and *expanding housing options* for HACSC's low-income clients. Activities in this category include:
- **Ensuring parity in rent calculations** for all program participants by using increased current Payment Standards when performing rent calculations between regular reexaminations (MTW Proposed Activity #3).
 - **Streamlining of the Project Based Voucher (PBV) Program** by shortening the long processing time currently required when project-basing HACSC-owned housing properties (MTW Proposed Activity #4) and easing certain regulatory barriers to the program (MTW Proposed Activity #5).

Explore Other Potential Programs: During FY2010 under MTW, HACSC plans to research additional initiatives and economic incentives to help recast the program so that the purpose of subsidized housing becomes a temporary rather than a permanent support system for those who are not disabled or elderly.

II. GENERAL HACSC OPERATING INFORMATION

This section provides information about the types and number of units in the HACSC program, as well as the characteristics of the families served. HACSC administers over 17,609 units of housing assistance consisting of Section 8 Housing Choice Vouchers, Moderate Rehabilitation, and Shelter Plus Care units throughout the County of Santa Clara

A. HOUSING STOCK INFORMATION

1. Public Housing Units and Planned Capital Expenditures

HACSC was granted HUD approval on September 26, 2007 for the Disposition of its public housing because public housing operating and capital funding had been inadequate to meet costs for more than the past five years, and these capital funding deficits were projected to increase in the coming years.

On July 1, 2008, HACSC received 548 conversion vouchers to assist its public housing residents as a part of the disposition process. These developments will utilize 100% PBV assistance going forward.

On September 16, 2008, Rincon Gardens, a 200 unit property for senior residents, began a 15 year PBV contract. The remaining 6 public housing projects, representing 355 units, will be converted to PBV in FY2010.

Table 1: List of Public Housing properties/units to be transferred through the Demo Disposition process

DEVELOPMENT	TYPE	NUMBER OF UNITS
Cypress Gardens	Senior	125
Lenzen Gardens	Senior	94
Sunset Gardens	Senior	75
Julian Gardens / Lucretia Gardens	Family	25
Miramar/Deborah	Family	20
Eklund 1 and Eklund 2	Family	16
	TOTAL	355 (of which 5 are manager units)

As a part of the disposition and rehabilitation of the public housing projects, significant capital expenditures have been planned. These improvements will occur after the sale of the properties has taken place.

2. MTW and non-MTW Housing Choice Voucher Units Authorized

HACSC currently serves 16, 508 households through the County of Santa Clara under the MTW program. These include the following programs:

- 15,959 Tenant-Based vouchers
- 549 PBV units

In addition HACSC has the following non-MTW units authorized:

- 53 Mainstream vouchers
- 206 Moderate Rehabilitation units
- 200 Shelter Plus Care units serving homeless, disabled households
- 70 Veterans Affairs Supportive Housing (VASH) vouchers

3. Number of HCV Units to be Project-Based

HACSC is in the process of project-basing 694 of its tenant-based vouchers for new construction and existing units during FY2010. 344 units are new construction projects awarded through a Request for Proposals competitive selection process in 2007. The remaining 350 units are public housing projects transitioning to non-public housing project-based units.

Table 2: List of new projects to be project-based in FY2010

NAME AND LOCATION OF PROJECT	NUMBER OF UNITS	STATUS
Fairgrounds Senior Housing Apartments, San Jose	199 project-based units	Planned new construction senior project
Sunnyvale Senior Housing Apartments, Sunnyvale	120 project-based units	Planned new construction senior project
Kings Crossing Apartments, San Jose	25 of the 93 total units will be project-based	Planned new construction project for homeless persons and families
Sunset Gardens, Gilroy	74 project-based units	Existing senior housing project
Lenzen Gardens, San Jose	92 project-based units	Existing senior housing project
Cypress Gardens, San Jose	123 project-based units	Existing senior housing project
Miramar & Deborah, Santa Clara	20 project-based units	Existing family housing project
Eklund 1 & II, Santa Clara	16 project-based units	Existing family housing project
Julian Gardens and Lucretia Gardens, San Jose	25 project-based units	Existing family housing project
Total	694 project-based units	

B. LEASING INFORMATION

1. Public Housing

HACSC is fully leased in all of its public housing projects. As described in the Table in Section II (A) (1), HACSC plans to transition these units from public housing to non-public housing, project-based units during FY 2010.

2. Section 8 HCV Program

The Section 8 HCV Program anticipates being fully leased throughout FY2010.

3. Anticipated Issues Relating to Difficulties in Leasing Units

None anticipated.

C. WAITING LIST INFORMATION

HACSC currently maintains the following waiting lists:

- Housing Choice Voucher (HCV)
- Moderate Rehabilitation
- Project-Based Voucher (PBV)
- Public Housing for Family Housing
- Site-based Public Housing for Senior Housing

In April 2006, HACSC opened the waiting list for the HCV program, including tenant-based assistance, PBV assistance, and the Moderate Rehabilitation program. As of February 2009, HACSC's Section 8 HCV waiting list includes:

- 55,080 eligible registrants
- Of those on the HCV wait list, 50,307 households are registered for the PBV and Moderate Rehabilitation programs, in addition to registering for tenant-based assistance
- The demographics of the current registrants on the Section 8 HCV waiting list are shown in Table 3

Table 3: Applicant Income Levels by Family Type

	EXTREMELY LOW INCOME	VERY LOW INCOME	LOW INCOME
Elderly	8,253	1,414	233
Disabled	7,186	995	228
Not Elderly/Disabled	24,722	9,629	2,420
TOTAL	40,161	12,038	2,881

Currently, HACSC is fully leased, and will continue to maintain the lease-up rate by processing registrants from the current waiting list. HACSC does not anticipate opening the waiting list to new applicants in FY2010. However, as part of an effort to more effectively use vouchers set aside for the chronically homeless in FY2010, HACSC is exploring accepting direct client referrals from homeless service providers. The most appropriate method for carrying out this process may involve opening the waiting list.

HACSC maintains a separate waiting list for its public housing units. The public housing waiting lists are closed.

The public housing waiting lists currently consist of 6,067 applicant households including:

- 1,494 applicants for all site-based senior housing,
- 4,573 applicants for family housing

HACSC plans to transition its six remaining public housing projects to non-public housing, 100% project-based units. After a Project-Based Housing Assistance Payments Contract has been executed for a particular development and its waiting list has been exhausted, vacancies will be filled from the PBV waiting list.

D. SUPPORTIVE SERVICES

HACSC provides support services, directly and through community partners, to residents of public housing and non-public housing sites, to participants in the Family Self-Sufficiency Program (FSS), and to a limited number of Section 8 participants. While the specific services vary widely, their fundamental purpose is to enhance the effectiveness of the housing subsidy by availing participants of assistance that empowers them to live as independently as possible (fixed-income seniors and disabled residents) or to progress toward financial independence (individuals and families).

III. NON-MTW RELATED HACSC INFORMATION

Advocates for special needs groups regularly contact the Housing Authority to request Project Based Vouchers (PBV) for use in their projects. In 2010, HACSC plans to conduct a needs assessment of special needs populations in Santa Clara County and to develop criteria and guidelines for providing a set aside of PBV to be directed to special needs populations. In conducting the needs assessment, HACSC will take special consideration of the housing needs of the elderly, disabled, victims of domestic violence and persons diagnosed with HIV/AIDS.

IV. LONG-TERM MTW PLAN

Block grant funding under MTW enables HACSC to combine resources it previously could not, allowing use of HUD funding to better address local program priorities and needs. HACSC's long-term vision for success under the MTW Demonstration is one in which the agency can:

- Achieve a wide range of operational efficiencies and excellence in housing management, to focus and make the best possible use of our limited resources;
- Augment the Section 8 HCV Program to enhance the cost-effectiveness of assistance and to expand the impact of the program;
- Creatively enhance and target support and services to promote participant self-sufficiency;
- Pursue housing development, rehabilitation and neighborhood revitalization activities that together help address a severe and chronic undersupply of affordable housing in our region.

Each of these four long-term initiatives is described in the corresponding sections below.

A. Operational Efficiencies and Excellence

To ensure optimal program administration, HACSC will develop and pursue the following initiatives:

- Implementation of a new software system tailored to support MTW needs including flexible reporting that anticipates program tracking and evaluation;
- Revision of written policies and procedures in support of MTW activities and other changes supportive of streamlining and systems-based program administration;
- Exploration and revision of organizational structures, staff training programs, and job requirements to support new approaches;
- Establishment of a comprehensive, agency-wide quality control plan.

B. Augmentations to Section 8 HCV Programs:

HACSC will continue to consider and assess a range of potential options that will support the goal of structuring Section 8 assistance in ways that will assist families to achieve financial self-sufficiency over time. The full range of potential options to be investigated, including an analysis of best practices of MTW agencies nationwide, could include, but is not limited to:

- Flat subsidies to encourage participant increases in income,
- Flat/tiered subsidies by income category (similar to Federal Low-Income Housing Tax Credit structure),

- Income-based subsidies (to adjust/modify current model, which could include “caps” based on income levels and maximum rents),
- Decrease levels of household rental assistance over time to encourage economic self-sufficiency.

C. Participant Support and Services to Promote Self-Sufficiency

HACSC will assess participant needs to determine what combination of resources and incentives is most likely to be effective in helping them move beyond the need for housing assistance. HACSC anticipates using funds made available through its more streamlined administration of the Section 8 Program, leveraged with outside funding sources, to develop and try different service models. HACSC will have a bias for tapping resources that already exist in the community. It will also strive to design housing subsidy program policies that link creatively with targeted support resources, thus increasing the likelihood that individual participants will become empowered to meet their own potential.

D. Housing Development, Rehabilitation and Neighborhood Revitalization Activities

While the Section 8 HCV program provides a critical, ongoing source of housing assistance, at the level currently funded it does not come close to meeting the need. Therefore, increasing the supply of affordable housing in HACSC’s region is and has been a necessity. Building on HACSC’s proven track record of creating attractive, cost-efficient and sustainable affordable housing, HACSC will explore potential future development activities including acquisition for rehabilitation and/or new construction. These activities will include expanding current partnerships and forging new ones with non-profit and community organizations as well as local government and redevelopment agencies to ensure that the affordable housing created meets the highest possible quality standards for its residents and for the community at large.

V. PROPOSED MTW ACTIVITIES

HACSC is proposing five activities for the second year of the MTW demonstration program,

1. **Eliminating 100% excluded income from the income calculation process.**
2. **Excluding asset income from income calculations for families with assets under \$50,000.**
3. **Applying current increased Payment Standards at Interim Reexaminations.**
4. **Allocating Project Based vouchers to HACSC-owned projects without competition.**
5. **Assisting Over-income Families Residing at HACSC-owned Project Based Voucher Properties.**

The sections below describe each of these proposed MTW Activities for FY2010, and discuss their impact on HACSC's proposed MTW objectives, the process for measuring each activity's performance, and the specific authorizations.

PROPOSED ACTIVITY #1: ELIMINATING 100% EXCLUDED INCOME FROM THE INCOME CALCULATION PROCESS

A. DESCRIPTION OF MTW ACTIVITY

In support of the MTW goal of achieving increased cost effectiveness in its operation, HACSC will not verify, count or report income that HUD specifies as 100% excluded from the income calculation process. Examples of 100% excluded income are food stamps, income from minors, and foster care payments. HUD regulation 24 CFR 5.609 (c) provides a complete list of all income sources that HUD specifies to be excluded when calculating a family's annual income. Because this income is excluded from the income calculation process, it does not affect the amount of a family's rental assistance.

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

B. HOW THE ACTIVITY RELATES TO AT LEAST ONE OF THE STATUTORY OBJECTIVES

The proposed activity produces administrative efficiency and staff cost savings by eliminating the process of verifying, reporting, counting and then excluding income that has no bearing on the amount of housing assistance calculated.

C. ANTICIPATED IMPACT OF THE ACTIVITY

HACSC anticipates that this activity will increase staff productivity, reduce administrative costs, and help improve accuracy of family income calculations.

D. BASELINES AND BENCHMARKS USED TO MEASURE THE PERFORMANCE AND PROGRESS OF THE ACTIVITY

The baselines for this activity:

- There are 7,807 participant families that receive one or more types of income that is excluded from the income calculation process
- Under the reduced MTW reexamination schedule, HACSC staff spend approximately 2,212 hours per year, amounting to salary costs alone of \$57,350, verifying and calculating 100% excluded income

By implementing this proposed activity, HACSC will experience a substantial reduction in operational cost related to verifications and income calculations. HACSC anticipates the following benchmarks for the activity:

- A 2,212 hour per year reduction in staff time for processing and calculating 100% excluded income by the end of the first full reexamination cycle, which will conclude in December, 2010

As this activity is implemented, HACSC plans to further quantify and refine its performance baselines and benchmarks.

E. DATA COLLECTION AND METRICS

Data will be collected from the following:

- The number of MTW families receiving one or more types of fully excluded income
- Analyses of the amount of staff time spent on processing and calculating excluded income

Metrics may include:

- Comparison of time spent on activity under the current process versus the proposed MTW activity
- Comparison of total administrative costs for activity under the current process versus the proposed MTW activity

F. AUTHORIZATION FOR THE ACTIVITY

This proposed activity is authorized in HACSC's Moving to Work Agreement, Attachment C, Paragraph D (1) (c) and Attachment C, Paragraph D (3) (b) and waives certain provision

of Sections 8 (o) (5) of the 1937 Act and 24 C.F.R. 982.516, and 982 Subpart E, as necessary to implement the Agency's Annual MTW Plan.

PROPOSED ACTIVITY #2: EXCLUDE ASSET INCOME FROM INCOME CALCULATIONS FOR FAMILIES WITH ASSETS UNDER \$50,000

A. DESCRIPTION OF MTW ACTIVITY

HACSC proposes to eliminate calculating and including income received from family assets under \$50,000. Currently, HACSC is required to verify and count income from assets. Verification of asset income is often a cumbersome process that yields little benefit. Few applicants or participants have asset income amounts that significantly affect their total income. However, due to extensive verification and complex calculation requirements for these cases, the cost and time associated with this process is significant and seldom cost effective, causing an unnecessary administrative and financial burden to the agency.

Outline of the new process if MTW activity is approved:

- Information regarding assets of all family members will be collected
- Applicant/tenant provided documents that verify the assets will be obtained
- If total assets of the family amount to less than \$50,000, nothing further will occur--no reporting of family assets under \$50,000 to HUD and no calculation of anticipated asset income to include in family's total annual income.

B. HOW THE ACTIVITY RELATES TO AT LEAST ONE OF THE STATUTORY OBJECTIVES

The proposed MTW activity will reduce administrative costs and may assist families achieve economic self-sufficiency by encouraging saving.

C. ANTICIPATED IMPACT OF THE ACTIVITY

This proposed activity will simplify the income calculation process and will generate significant staff time reduction in processing initial eligibility certifications and regular reexaminations. It will also result in lower rent for families that receive modest income from assets, thus encouraging family savings. This proposed activity may result in an increase in Housing Assistance Payments (HAP) to landlords.

D. BASELINES AND BENCHMARKS USED TO MEASURE THE PERFORMANCE AND PROGRESS OF THE ACTIVITY

Baselines for the proposed activity are:

- Currently, 12,617 MTW families have total family assets under \$50,000
- Under the reduced MTW reexamination schedule, staff spend an estimated 2,103 hours per year calculating asset income, which amounts to \$49,190 in salary costs alone

- The total average family asset amount for an MTW family with assets under \$50,000 is \$1,742. Asset income for the average MTW family's assets is \$21 per year, which increases a family's Total Tenant Payment by less than \$1 per month
- The average HAP and TRO (tenant rent) for participants with asset income is \$969 and \$546 respectively

HACSC anticipates the following benchmarks for the activity:

- A 100% reduction in staff time for processing and calculating asset income for MTW families with total assets under \$50,000 by the end of the first full reexamination cycle, which will conclude in December, 2010
- A slight increase in HAP for MTW families with total assets under \$50,000
- A possible increase in family assets for MTW families

As this activity is implemented, HACSC plans to further quantify and refine its performance baselines and benchmarks.

E. DATA COLLECTION AND METRICS

Data will be collected from the following:

- The number of MTW families who have total family assets between \$1 and \$49,999
- Staff time spent on processing and calculating asset income for families with assets under \$50,000
- HAP and TRO records
- Asset records for families with assets under \$50,000

Metrics may include:

- Comparison of time spent on activity under the current process versus the proposed MTW activity
- Comparison of HAP and family's rent burden under the current calculation method versus the proposed MTW activity
- Comparison of gross family asset amounts under the current process versus the proposed MTW activity

F. AUTHORIZATION FOR THE ACTIVITY

This proposed activity is authorized in HACSC's Moving to Work Agreement, Attachment C, Paragraph D (1) (c) and Attachment C, Paragraph D (3) (b) and waives certain provision of Sections 8 (o) (5) of the 1937 Act and 24 C.F.R. 982.516, and 982 Subpart E, as necessary to implement the Agency's Annual MTW Plan.

G. RENT REFORM INITIATIVE REQUIREMENTS

As this activity qualifies as a rent reform initiative, HACSC will obtain approval from its Board of Commissioners prior to the activity's implementation. In every case, this activity

will benefit the families who qualify for it by excluding any income the family receives from assets. As no adverse impact will occur, HACSC plans to implement this activity with advance notice to families, but without a transition period. As no hardship will result from this activity, HACSC will not develop a policy for hardship cases. HACSC will evaluate the impact of this activity annually.

PROPOSED ACTIVITY #3: APPLY CURRENT INCREASED PAYMENT STANDARDS AT INTERIM REEXAMINATIONS

A. DESCRIPTION OF MTW ACTIVITY

Current HUD regulations require that when payment standards increase, the increased payment standard will be used to calculate the monthly housing assistance payment for the family at the family’s first regular reexamination on or after the effective date of the increase in the payment standard.

Under the Agency’s newly implemented, less frequent reexamination schedule, the family’s regular reexamination is now conducted every two or three years depending on their source of income. The long span of time between reexaminations may create a financial hardship for families who experience a decrease in their income or an increase on the contract rent that would result in an interim adjustment. If HACSC continues to apply the payment standard used at the time of the last reexamination where an increased payment standard has been adopted, the family may experience a higher rent burden for a longer time.

To reduce the family’s rent burden and to increase housing choice, HACSC proposes to apply the current payment standard (if the payment standard has increased since the family’s last regular reexamination) to the calculation of the monthly housing assistance payment at interim reexaminations. If the payment standard decreases, the decreased payment standard will be effective at the family’s second regular reexamination as outlined in HUD regulation 24 CFR 982.505 (c) (3).

B. HOW THE ACTIVITY RELATES TO AT LEAST ONE OF THE STATUTORY OBJECTIVES

The proposed activity will increase housing choices for low-income families and reduce administrative costs. In some cases increased assistance may allow the family to remain in their home, sparing them the expense and inconvenience of moving and relieving HACSC of the administrative burden of processing their move to a less expensive unit.

C. ANTICIPATED IMPACT OF THE ACTIVITY

The proposed activity will slightly increase the amount of HAP paid by the Housing Authority. This amount will potentially be offset by a reduction in administrative costs associated with processing a family’s transfer voucher.

D. BASELINES AND BENCHMARKS USED TO MEASURE THE PERFORMANCE AND PROGRESS OF THE ACTIVITY

As this activity is implemented, HACSC plans to further quantify and refine its performance baselines. Baselines for the proposed activity are:

- HACSC processed a total of 4,169 interim reexaminations in the last 12 month period
- The average HAP and TRO for those interims was \$1,208 and \$424 respectively.
- Number of family moves due to rent burden

Full benchmarks will be developed as the activity is implemented to measure performance and progress, and may include:

- Increase in overall HAP
- Reduction in family’s rent burden
- Change in family moves due to rent burden

E. DATA COLLECTION AND METRICS

Data will be collected from the following:

- Information obtained from the interim reexamination
- Comparison of HAP costs under the current process versus the proposed process
- Number of family moves due to rent burden

Metrics may include:

- Comparison of family moves due to rent burden under the current process versus the proposed MTW activity
- Comparison of HAP and TRO under the current process versus the proposed MTW activity
- Comparison of staff time saved in processing moves due to a family’s rent burden versus increases in HAP by using the increased payment standard at interim reexaminations

F. AUTHORIZATION FOR THE ACTIVITY

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

G. RENT REFORM INITIATIVE REQUIREMENTS

As this activity qualifies as a rent reform initiative, HACSC will obtain approval from its Board of Commissioners prior to the activity's implementation. This activity will benefit the families who qualify for it by applying current increased payment standards for any interim calculations processed between regular reexaminations, resulting in either the same or a lower tenant rent payment in all cases. Since no adverse impact to the family will occur, HACSC plans to implement the activity with adequate notice to tenants but without a transition period and will not be adopting a policy for hardship cases. HACSC will evaluate the impact of this activity annually.

PROPOSED ACTIVITY #4: ALLOCATE PROJECT BASED VOUCHERS TO HACSC-OWNED HOUSING PROJECTS WITHOUT COMPETITION

A. DESCRIPTION OF MTW ACTIVITY

HACSC proposes to select HACSC-owned housing projects for project-based assistance without a competitive process. As a long-time developer of affordable housing, and as an administrator of project-based vouchers, HACSC has first-hand knowledge of the value of project-basing units in order to create a stable long-term financing package and preserve the affordability of housing units for decades. Even without competition, the time and effort required to project-base a housing development is substantial and includes many steps that involve oversight by HUD, i.e., an environmental review and subsidy layering review. Engaging in a competitive process for PBV adds steps that increase costs and can create delays in developing affordable housing. By project-basing its properties without spending the time it takes to conduct a competitive process, HACSC can accelerate its production of affordable housing units.

In addition, HACSC will create and conduct a separate competitive process for project-basing properties owned by other developers that is fair and free of the appearance of bias that occurs when HACSC competes with outside developers for project-based vouchers.

B. HOW THE ACTIVITY RELATES TO AT LEAST ONE OF THE STATUTORY OBJECTIVES

The proposed MTW activity will prevent a lengthy competition and selection process thereby reducing administrative costs to the program.

C. ANTICIPATED IMPACT OF THE ACTIVITY

HACSC projects that the proposed activity will reduce staff time and direct costs (i.e. cost of publication of public notice in the newspaper) normally associated with developing and issuing an extensive Request for Proposals (RFP) and reviewing and processing the applications submitted. In addition, PBV regulations require that the selection process of any PHA-owned property be reviewed and approved by HUD. Because the allocation of project based vouchers under this proposed activity occurs outside of a competitive selection process, the time required for a HUD selection review can be eliminated.

D. BASELINES AND BENCHMARKS USED TO MEASURE THE PERFORMANCE AND PROGRESS OF THE ACTIVITY

Baselines for the proposed activity are:

- HACSC staff spend a minimum of 100 hours (which amounts to \$3,600 in salary costs alone) developing, writing and issuing an RFP, and reviewing and processing applications submitted. Public inquiries and meetings on the RFP and the PBV program add an estimated 50 additional hours to the staff time spent
- The average time it takes for the HUD Field Office to review and approve the competitive selection of a HACSC-owned property for project-basing is between 2 to 3 weeks.
- The current cost to publish an RFP and public notice of a PBV project selection in the San Jose Mercury Newspaper is \$2,890

The benchmarks for this proposed activity will be developed by tracking the number of occasions the project-basing of HACSC-owned properties was facilitated by this activity.

Prior to this activity's implementation, HACSC will further quantify and refine its performance baselines and benchmarks.

E. DATA COLLECTION AND METRICS

Data will be collected from the following:

- Past project-based program implementation records documenting the process, deadlines and other relevant dates
- Associated staff-time costs for time spent on the activity
- Costs in publishing the RFP and final project selection in local newspapers

Metrics may include:

- Comparison of time spent on activity under the current process versus the proposed MTW activity
- Comparison of administrative costs associated with the current process versus the proposed MTW activity

F. AUTHORIZATION FOR THE ACTIVITY

This proposed activity is authorized in HACSC's Moving To Work Agreement, Attachment C, Paragraph D 7a, and waives certain provisions of Section 8 (o)(13)(B and D) of the 1937 Act and 24 CFR 982.1, 982.102 AND 24 CFR Part 983, as necessary to implement HACSC's MTW Plan.

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

A. DESCRIPTION OF MTW ACTIVITY

HACSC was granted HUD approval on September 26, 2007 for the disposition of its public housing stock. After the sale of the properties, HACSC will combine Project Based Voucher (PBV) subsidies with tax-exempt bonds and tax credits to continue to keep the properties affordable to low-income families.

HUD Project Based Voucher regulation 24 CFR 983.251 (b) (2) states: “In order to minimize displacement of in-place families, if a unit to be placed under contract...is occupied by an eligible family on the proposal selection date, the in-place family must be placed on the PHA’s waiting list and, once its continued eligibility is determined, given an absolute selection preference and referred to the project owner for an appropriately sized PBV unit in the project.” To be eligible for Project Based Voucher assistance, public housing families transitioning to Section 8 rental assistance must have a gross annual income no greater than 80% of the Area Median Income (AMI). California tax-exempt bond properties limit income eligibility to 50% of the AMI.

When PBV assistance is layered with 50% tax-exempt bonds, the lower income limits apply. Therefore, HACSC proposes to waive the PBV regulation related to preference for in-place families in order to allow for the continued commitment of tax-exempt bonds and tax credits to the disposed public housing properties.

Although HACSC is requesting a waiver of the PBV regulation regarding in-place families, the affected families will receive voucher rental assistance in parity with that provided to the families with incomes at or below 50% of the AMI. HACSC proposes to issue Housing Choice Vouchers to in-place families of its public housing properties whose income falls between 50% and 80% of the AMI. Additionally, these families will receive relocation assistance including counseling and payment of actual and reasonable moving expenses. Ineligible in-place families (gross annual income exceeding 80% of AMI) will receive payments for comparable housing in place of a voucher. MTW funds are not eligible and will not be used to provide relocation assistance to the in-place families who are ineligible for assistance.

B. HOW THE ACTIVITY RELATES TO AT LEAST ONE OF THE STATUTORY OBJECTIVES

The proposed MTW activity will increase housing choices for low-income families by offering certain over-income in-place families a Housing Choice Voucher and housing search assistance.

HACSC is also increasing housing choices for low-income families by maintaining and improving the affordable housing stock in Santa Clara County. If HACSC is not able to waive the regulation in question, then tax-exempt bonds and tax credits could not be used and the affordability of these public housing units could not be maintained after

disposition. The result would be a substantial decrease of existing affordable housing stock.

C. ANTICIPATED IMPACT OF THE ACTIVITY

HACSC anticipates that the activity will help maintain the affordability of public housing units that would otherwise become unaffordable to very-low income families.

HACSC anticipates that the activity will affect no more than 5% of the public housing residents. This estimate is based on the number of residents whose income was between 50% and 80% of the AMI at their last annual reexamination.

D. BASELINES AND BENCHMARKS USED TO MEASURE THE PERFORMANCE AND PROGRESS OF THE ACTIVITY

Baselines for the proposed activity are:

- Two families at HACSC public housing properties have income between 50% and 80% of AMI (based on data from the last annual reexamination)
- HACSC currently assists approximately 350 families in its public housing units

The benchmarks to measure performance and progress may include:

- Number of families with income between 50% and 80% of AMI who are able to successfully move to another unit using the voucher assistance
- Increase in the number of families that can be assisted in the vacated affordable housing units

As this activity is implemented, HACSC plans to further quantify and refine its performance baselines and benchmarks.

E. DATA COLLECTION AND METRICS

Data will be collected from the following:

- Income certifications for affected families
- Number of successful lease-up of affected families
- Total number of affordable housing units owned by HACSC

Metrics may include:

- Comparison of number of families who may be required to move (with Section 8 assistance) due to the conflict of program regulations versus the number of affordable units permanently lost if current regulations were not waived.

F. AUTHORIZATION FOR THE ACTIVITY

This proposed activity is authorized in HACSC's Moving To Work Agreement, Attachment C, Paragraph D 3 (a), Paragraph D 4, and waives certain provisions of Sections 16 (b), 8 (o) (4), 8 (o) (6), 8 (o) (13) (J), 8 (o) 16 and 24 CFR 5.603, 5.609, 5.611, 5.628, 982.201, 982 Subpart E, 982.305 and 983 Subpart F as necessary to implement HACSC's MTW Plan.

VI. ONGOING MTW ACTIVITIES

HACSC is assessing the impact of the activities that were identified in its FY2009 MTW Plan as amended. A complete evaluation of the implemented activities will be included in its FY2009 MTW Report. Activities that were approved and are being implemented are:

1. Reduced Frequency of Tenant Reexaminations
2. Simplification and Expediting of the Income Verification Process
3. Reduced Frequency of Inspections
4. Timeline to Correct HQS Deficiencies
5. Exploring New Housing Opportunities for the Chronically Homeless
6. Consolidation of PBV regulations – 20% random sample inspection annually
7. Consolidation of PBV regulations – unit substitution
8. Streamlining the PBV Referral Process
9. Utilization of LIHTC Tenant Income Certification for Income and Asset Verification
10. Selection of HACSC-owned Public Housing Projects for PBV without Competition
11. Project-basing 100% of Units in Family Projects
12. Adopting Investment Policies
13. Combined Waiting Lists for the County of Santa Clara and the City of San Jose
14. Payment Standard Changes Between Regular Reexaminations

The sections below describe the ongoing MTW activities from FY2009 and provide an update on the status of each activity.

ONGOING MTW ACTIVITY #1: REDUCED FREQUENCY OF TENANT REEXAMINATION

This activity was proposed by HACSC and approved by HUD in the **FY2009** MTW Annual Plan.

A. DESCRIPTION OF MTW ACTIVITY

HACSC has instituted a three-year reexamination period for families who receive income solely from Social Security, Supplemental Security Income, pensions, and/or TANF, since these sources are subject to predictable and minimal annual increases. For all other families, reexaminations occur biennially.

B. UPDATE ON THE STATUS OF THE ACTIVITY

In September, 2008, HACSC began a modified reexamination schedule. Families with reexamination due dates in January, March, May, July, September and November will have their reexamination in 2009. Families with reexamination due dates in February, April, June, August, October and December will have their next reexamination in 2010.

Thereafter, these families will be on a two or three year reexamination schedule depending on the family's income sources.

This has meant an immediate reduction in caseloads for Specialists and Clerical support staff, allowing more time to focus on training and improving work quality. The reduction in frequency of reexaminations has also translated into reduced postage and paper costs. HACSC preliminary analysis of the staff time savings that will be realized each month for this activity is included in a graph at the end of Part VI (page 38).

C. ANTICIPATED CHANGES, MODIFICATIONS OR ADDITIONS TO ATTACHMENT C AUTHORIZATIONS

None.

D. IS THE AGENCY USING OUTSIDE EVALUATORS TO EVALUATE PROGRESS OF THE ACTIVITY?

HACSC may use outside evaluators for this activity.

ONGOING MTW ACTIVITY #2: SIMPLIFICATION AND EXPEDITING OF THE INCOME VERIFICATION PROCESS

This activity was proposed by HACSC and approved by HUD in the **FY2009** MTW Annual Plan.

A. DESCRIPTION OF MTW ACTIVITY

HACSC has streamlined the applicant and participant verification processes.

The verification hierarchy is as follows:

- Up-front income verification (UIV) (the verification of income through an independent source that systematically and uniformly maintains income information in computerized form) when available.
- If either the UIV and EIV systems are not available, HACSC will accept family-provided documentation.
- Family self-certification will be used as a last resort.
- HACSC may continue to use third party verification to resolve income discrepancies or in the absence of other verification or participant provided documents

Another aspect of this activity addresses the initial applicant's determination of eligibility. The current requirement is that eligibility documentation must be received no more than 60 days prior to the issuance of the voucher. Increasing the documentation submission window from 60 to 120 days will facilitate the processing of initial eligibility determination, and accelerate the applicants' access to program assistance.

B. UPDATE ON THE STATUS OF THE ACTIVITY

This activity was implemented in January, 2009. There have been some immediate results in administrative efficiency and cost savings from the reduced need for mailings and repeat requests to third-parties sources. HACSC preliminary analysis of the staff time savings that will be realized for this activity is included in a graph at the end of this section (page 38).

C. ANTICIPATED CHANGES, MODIFICATIONS OR ADDITIONS TO ATTACHMENT C AUTHORIZATIONS

None.

D. IS THE AGENCY USING OUTSIDE EVALUATORS TO EVALUATE PROGRESS OF THE ACTIVITY?

HACSC may use outside evaluators for this activity.

ONGOING MTW ACTIVITY #3: REDUCED FREQUENCY OF INSPECTIONS

This activity was proposed by HACSC and approved by HUD in the **FY2009** MTW Annual Plan.

A. DESCRIPTION OF MTW ACTIVITY

HACSC has modified the frequency of inspections by inspecting housing stock biennially. HACSC may make exceptions to this inspection schedule for landlords and properties that do not comply on a consistent basis with HQS. HACSC may also develop an educational program for participants and owners/landlords to ensure continued compliance with HQS.

B. UPDATE ON THE STATUS OF THE ACTIVITY

This activity was implemented in November 2008. The activity has streamlined the inspection process; resulting in an increase in administrative efficiency and significant cost savings, while keeping in place safeguards that ensure that participants reside in units that are decent, safe, and sanitary.

Implementation has resulted in an immediate reduction in workloads for Specialists and Clerical support staff, allowing more time to focus on training and improving work quality. The reduction in frequency of inspections has also translated into reduced postage and paper costs. HACSC's initial analysis of staff time savings that will be realized monthly for this activity is included in a graph on page 38.

C. ANTICIPATED CHANGES, MODIFICATIONS OR ADDITIONS TO ATTACHMENT C AUTHORIZATIONS

None.

D. IS THE AGENCY USING OUTSIDE EVALUATORS TO EVALUATE PROGRESS OF THE ACTIVITY?

HACSC may use outside evaluators for this activity.

ONGOING MTW ACTIVITY #4: TIMELINE TO CORRECT HOUSING QUALITY STANDARDS (HQS) DEFICIENCIES

A. DESCRIPTION OF MTW ACTIVITY

As part of the FY 2009 MTW plan, HACSC initiated a longer timeline for owners to correct minor non-life-threatening HQS deficiencies. Owners are given 30 days from the date of the deficiency notification letter to correct minor HQS violations. This activity, combined with the practice of allowing owners to self-certify correction of such violations, creates administrative efficiencies by eliminating the need for a second inspection, by reducing the number of extension requests made by owners, and by encouraging owners' continued participation in HACSC programs.

B. UPDATE ON THE STATUS OF THE ACTIVITY

In March 2009, HACSC extended owners timelines to correct minor non-life threatening HQS deficiencies. Although this activity has been implemented, the evaluation measuring the impact of this activity has not yet begun.

C. ANTICIPATED CHANGES, MODIFICATIONS OR ADDITIONS TO ATTACHMENT C AUTHORIZATIONS

None.

D. IS THE AGENCY USING OUTSIDE EVALUATORS TO EVALUATE PROGRESS OF THE ACTIVITY?

HACSC may use outside evaluators for this activity.

ONGOING MTW ACTIVITY #5: ALLOWING DIRECT REFERRALS OF CHRONICALLY HOMELESS FAMILIES

This activity was proposed by HACSC and approved by HUD in the **FY2009** MTW Annual Plan.

A. DESCRIPTION OF MTW ACTIVITY

The Housing Authority has created a separate set aside of vouchers for the chronically homeless. Because of the transient nature of the homeless population, selecting homeless families from the wait list requires massive mailings to locate prospective voucher

recipients. Once identified, these families have more difficulty in locating and obtaining housing on their own. With its MTW authority, HACSC will explore various means to target increased assistance to the chronically homeless, including:

- Increasing the number of vouchers set aside for the chronically homeless to 200,
- Taking steps to provide vouchers to chronically homeless families that are actively participating in supportive programs with designated service providers, and
- Based on community need and subject to State and Federal Fair Housing laws and MTW statutory authorizations, HACSC may propose to receive direct referrals of chronically homeless families from non-profit agencies and community-based organizations.

B. UPDATE ON THE STATUS OF THE ACTIVITY

For FY2009, HACSC designated 200 vouchers to the chronically homeless. In August, 2008, HACSC’s Board of Commissioners approved a change to the chronically homeless preference for applicants to read:

“Chronically homeless persons who are actively participating in ongoing case management through a HACSC- approved agency. To be recognized as a HACSC approved agency, the organization must be working with homeless persons as shelter or human service providers.”

HACSC is currently assisting HCV waiting list applicants who meet the chronically homeless preference. It is expected that the wait list for chronically homeless applicants will be exhausted by June, 2009. HACSC will allocate 200 of its turnover vouchers and one-third of any new ‘fair share’ Section 8 vouchers that are awarded to the agency to the chronically homeless for FY2010. The total number of vouchers that HACSC will allocate to the chronically homeless for FY2010 will not exceed 300. HACSC is partnering with Destination: Home, a United Way program that seeks to raise funds for programs and projects that will end homelessness, in designing and coordinating a direct referral process that will support timelier issuance and effective assistance for the target population.

C. ANTICIPATED CHANGES, MODIFICATIONS OR ADDITIONS TO ATTACHMENT C AUTHORIZATIONS

None.

D. IS THE AGENCY USING OUTSIDE EVALUATORS TO EVALUATE PROGRESS OF THE ACTIVITY?

HACSC may use outside evaluators for this activity.

ONGOING MTW ACTIVITY #6: 20% SAMPLE INSPECTIONS ANNUALLY FOR PBV UNITS

A. DESCRIPTION OF MTW ACTIVITY

HACSC will inspect annually a random sample of at least 20% of project-based *certificate* units and project-based voucher *Initial Guidance* units. However, if any of the 20% annual sample units fail inspection, HACSC will inspect 100% of the PBV units in the complex.

Current project-based *voucher* regulations (issued in 2005 as the project-based voucher *Final Rule*) allow inspections to be carried out using a random sample system as described above, however, 100% of units project-based under the old project-based *certificate* or the project-based *Initial Guidance* rules issued in 2001 must be inspected annually. Therefore, this MTW activity is being proposed in order to consolidate previous project-based *certificate* and *Initial Guidance* regulations with the current project-based voucher *Final Rule*.

B. UPDATE ON THE STATUS OF THE ACTIVITY

In PIH Notice 2008-14, HUD provides 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.

Due to HUD's new provision in the project-based program regulations, HACSC will be renewing its current PBC contracts as PBV contracts. Therefore, Ongoing Activity #6 from HACSC's FY2009 MTW Plan is no longer needed and has been discontinued.

C. ANTICIPATED CHANGES, MODIFICATIONS OR ADDITIONS TO ATTACHMENT C AUTHORIZATIONS

Not applicable.

D. IS THE AGENCY USING OUTSIDE EVALUATORS TO EVALUATE PROGRESS OF THE ACTIVITY?

Not applicable.

ONGOING MTW ACTIVITY #7: PROJECT-BASED UNIT SUBSTITUTION

A. DESCRIPTION OF MTW ACTIVITY

HACSC proposes to allow substitution of a different unit with the same number of bedrooms in the same building for a previously designated project-based *certificate* unit or a project-based initial guidance unit.

Current PBV regulations (issued in 2005 as the PBV *Final Rule*) allow for unit substitution,

however, the old project-based *certificate* and project-based *Initial Guidance rules (issued in 2001)* do not. Fire or other natural disasters and reasonable accommodations for disabled tenants make this a practical policy that should be applied across the board for all project-based units. Therefore, this MTW activity is being proposed in order to consolidate old project-based *certificate* and *Initial Guidance* regulations with the current project-based Final Rule and prevent project-based *certificate* and *Initial Guidance* tenants from being penalized simply because of when their unit entered the program.

B. UPDATE ON THE STATUS OF THE ACTIVITY

In PIH Notice 2008-14, HUD provides 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.

Due to HUD’s new provision in the project-based program regulations, HACSC will be renewing its current PBC contracts as PBV contracts. Therefore, Ongoing Activity #7 from HACSC’s FY2009 MTW Plan is no longer needed and has been discontinued.

C. ANTICIPATED CHANGES, MODIFICATIONS, OR ADDITIONS TO ATTACHMENT C AUTHORIZATIONS

Not applicable.

D. IS THE AGENCY USING OUTSIDE EVALUATORS TO EVALUATE PROGRESS OF THE ACTIVITY?

Not applicable.

ONGOING MTW ACTIVITY #8: 30-DAY REFERRAL PROCESS FOR PROJECT-BASED VACANCIES

This activity was proposed by HACSC and approved by HUD in the **FY2009** MTW Annual Plan.

A. DESCRIPTION OF MTW ACTIVITY

HACSC allows direct owner referrals of applicants after 30-days of unsuccessful attempts (including a “good faith effort” certification) by the owner to process referrals from the HACSC project-based applicant wait list.

This policy is part of the project-based *certificate* regulations but was not included in the project-based *Final Rule issued in 2005*. HACSC believes the original project-based *certificate* policy eliminates extended vacancies in units that serve special needs populations.

B. UPDATE ON THE STATUS OF THE ACTIVITY

HACSC is currently writing the procedure to implement this activity and is in the process of notifying the owners of project-based voucher units of this change in policy. HACSC expects to have this policy and process in place by 6/30/09.

C. ANTICIPATED CHANGES, MODIFICATIONS OR ADDITIONS TO ATTACHMENT C AUTHORIZATIONS

None.

D. IS THE AGENCY USING OUTSIDE EVALUATORS TO EVALUATE PROGRESS OF THE ACTIVITY?

HACSC may use outside evaluators for this activity.

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

This activity was proposed by HACSC and approved by HUD in the **FY2009** MTW Annual Plan.

A. DESCRIPTION OF MTW ACTIVITY

For project-based units that also utilize LIHTC, HACSC will use the TIC form required under the LIHTC Program as verification of the income and assets.

Owners of project-based units that utilize tax credits must comply with Federal LIHTC regulations which are nearly identical to HCV regulations with regard to verification of income and assets when determining and recertifying income eligibility of residents. Therefore, at initial eligibility and at each regularly scheduled reexamination for each participant residing in project-based units that also utilize LIHTC, the owner and HACSC are duplicating efforts in the verification process. This causes unnecessary delays in processing new participants and creates redundant demands on the participant every year for the same documentation.

B. UPDATE ON THE STATUS OF THE ACTIVITY

HACSC is currently writing the procedure to implement this activity and is in the process of notifying the owners of project-based voucher units of this change in policy. HACSC expects to have this policy fully operational by 6/30/09.

C. ANTICIPATED CHANGES, MODIFICATIONS OR ADDITIONS TO ATTACHMENT C AUTHORIZATIONS

None.

D. IS THE AGENCY USING OUTSIDE EVALUATORS TO EVALUATE PROGRESS OF THE ACTIVITY?

HACSC may use outside evaluators for this activity.

ONGOING MTW ACTIVITY #10: SELECTION OF HACSC-OWNED PUBLIC HOUSING PROJECTS FOR PBV WITHOUT COMPETITION

This activity was proposed by HACSC and approved by HUD in the **FY2009** MTW Annual Plan.

A. DESCRIPTION OF MTW ACTIVITY

HACSC may select HACSC-owned public housing projects for project-based assistance without a competitive process.

B. UPDATE ON THE STATUS OF THE ACTIVITY

On June 3, 2008, HACSC designated Rincon Gardens, a 200 unit senior apartment complex going through a public housing disposition process, as an 'existing' PBV project. On September 16, 2008, HACSC began a 15 year PBV contract with Rincon Gardens Associates, a HACSC-affiliated non-profit entity, for 198 of the units.

Many hours of staff labor and other costs associated with publishing an RFP and going through a competitive selection process for this property were saved because of this MTW activity. The remaining nine HACSC public housing projects are slated for conversion to PBV in FY2010.

C. ANTICIPATED CHANGES, MODIFICATIONS OR ADDITIONS TO ATTACHMENT C AUTHORIZATIONS

None.

D. IS THE AGENCY USING OUTSIDE EVALUATORS TO EVALUATE PROGRESS OF THE ACTIVITY?

HACSC may use outside evaluators for this activity.

ONGOING MTW ACTIVITY #11: PROJECT-BASE 100% OF UNITS IN FAMILY PROJECTS

This activity was proposed by HACSC and approved by HUD in the **FY2009** MTW Annual Plan.

A. DESCRIPTION OF MTW ACTIVITY

HACSC may allow more than 25% of the units in an existing building to be project-based in complexes that serve families and provide services while not requiring participation in those services. Current project-based voucher regulations (issued in the *Final Rule*) impose a cap of 25% per building on project-based units in complexes serving families. In order to project-base additional units above the 25% cap, the owner must provide services and *require* families living in the “excepted” units above the cap to participate in those services.

Existing housing is typically fully occupied when units are transitioned to project-based assistance, requiring current occupants to abide by a new set of leasing rules, including in this case, required participation in services if the unit is an “excepted” unit. HACSC’s proposal would lessen this sudden impact on families by not requiring participation in services. HACSC will maintain that services must be available, and families must be made aware of and encouraged to participate in those services, but participation would not be mandatory.

B. UPDATE ON THE STATUS OF THE ACTIVITY

HACSC has not selected any family projects for project-basing in FY 2009. The agency expects to implement this activity in FY2010 when it will be project-basing three existing public housing family projects. An evaluation of this activity will be addressed in the FY2010 MTW Annual Report.

C. ANTICIPATED CHANGES, MODIFICATIONS OR ADDITIONS TO ATTACHMENT C AUTHORIZATIONS

None.

D. IS THE AGENCY USING OUTSIDE EVALUATORS TO EVALUATE PROGRESS OF THE ACTIVITY?

HACSC may use outside evaluators for this activity.

ONGOING MTW ACTIVITY #12: ADOPTING INVESTMENT POLICIES

This activity was proposed by HACSC and approved by HUD in the **FY2009** MTW Annual Plan.

A. DESCRIPTION OF MTW ACTIVITY

HACSC will adopt investment policies consistent with California Government Code to the extent such policies are in compliance with applicable OMB circulars and other federal laws. HACSC shall invest only in securities authorized under state law that will allow the flexibility to invest productively, efficiently, and securely.

HACSC will invest using discretion in a manner which will provide maximum safety, liquidity and reasonable return on investments. Any potential higher rate of return will achieve greater cost effectiveness.

B. UPDATE ON THE STATUS OF THE ACTIVITY

The HACSC Board of Commissioners adopted an annual Statement of Investment Policy on July 29, 2008.

C. ANTICIPATED CHANGES, MODIFICATIONS OR ADDITIONS TO ATTACHMENT C AUTHORIZATIONS

None.

D. IS THE AGENCY USING OUTSIDE EVALUATORS TO EVALUATE THE PROGRESS OF THE ACTIVITY?

HACSC may use outside evaluators for this activity.

ONGOING MTW ACTIVITY #13: COMBINED WAITING LISTS FOR THE COUNTY OF SANTA CLARA AND THE CITY OF SAN JOSÉ

This activity was proposed by HACSC and approved by HUD as an amendment to the **FY2009** MTW Annual Plan.

A. DESCRIPTION OF MTW ACTIVITY

The Housing Authority of the County of Santa Clara (HACSC), through an agreement with the City of San José, administers and manages all existing and future housing programs for the City and was assigned all of the City's interest in the HUD Annual Contributions Contracts for Section 8. This agreement essentially expanded HACSC's jurisdiction to cover the City of San José (CA056) and Santa Clara County (CA059) under the umbrella of the Housing Authority of the County of Santa Clara. Based on this agreement, HACSC uses one Annual Plan and Administrative Plan for both Housing Authorities and developed a combined MTW Plan for both Housing Authorities.

A recent HUD directive has interpreted HUD regulation 24 CFR 982.204 (f) to mean that two or more housing authorities operating together must maintain separate waiting lists for each entity.

With this MTW waiver, HACSC will continue to operate one combined waiting list for both the County of Santa Clara and the City of San José for the Housing Choice Voucher (HCV) Program and the Project-Based Voucher (PBV) Program.

B. UPDATE ON THE STATUS OF THE ACTIVITY

HACSC received approval from HUD on February 17, 2009 to implement this activity. HACSC continues to operate under one combined waiting list for both the County of Santa Clara and the City of San José for the Housing Choice Voucher (HCV) Program and the Project-Based Voucher (PBV) Program.

C. ANTICIPATED CHANGES, MODIFICATIONS OR ADDITIONS TO ATTACHMENT C AUTHORIZATIONS

HACSC does not expect any changes, modifications or additions to attachment C authorizations.

D. IS THE AGENCY USING OUTSIDE EVALUATORS TO EVALUATE PROGRESS OF THE ACTIVITY?

HACSC may use outside evaluators for this activity.

ONGOING MTW ACTIVITY #14: PAYMENT STANDARD CHANGES BETWEEN REGULAR REEXAMINATIONS

This activity was proposed by HACSC and approved by HUD as an amendment to the **FY2009** MTW Annual Plan.

A. DESCRIPTION OF MTW ACTIVITY

When there is a decrease in the family's unit size between regular re-examinations, when applicable, an interim re-examination reflecting the new payment standard will be effective the first of the month 90 days after the decrease.

When there is an increase in the family's unit size between regular re-examinations, when applicable, an interim re-examination reflecting the new payment standard will be effective the first of the following month.

B. UPDATE ON THE STATUS OF THE ACTIVITY

HACSC received approval from HUD on February 17, 2009 to implement this activity. HACSC will draft the procedure and will implement this new activity by June 30, 2009.

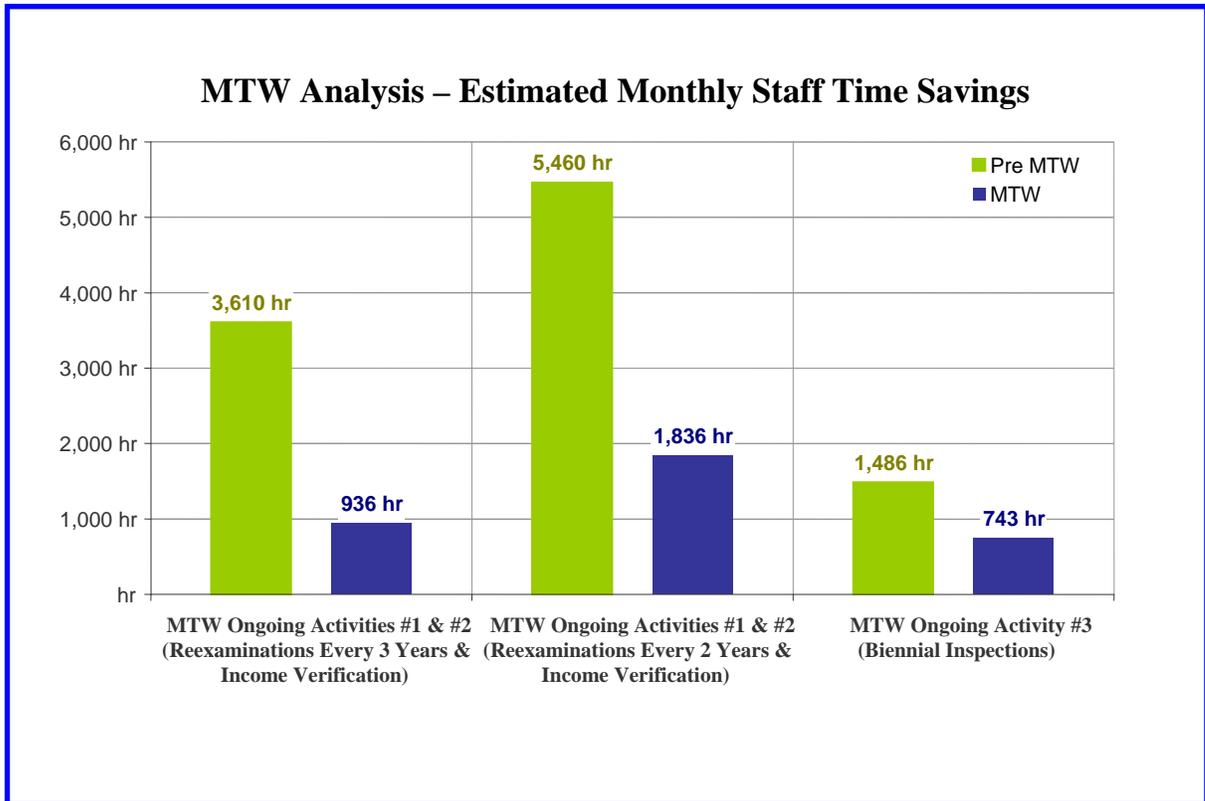
C. ANTICIPATED CHANGES, MODIFICATIONS OR ADDITIONS TO ATTACHMENT C AUTHORIZATIONS

HACSC does not expect any changes, modifications or additions to attachment C authorizations.

D. IS THE AGENCY USING OUTSIDE EVALUATORS TO EVALUATE PROGRESS OF THE ACTIVITY?

HACSC may use outside evaluators for this activity.

GRAPH ILLUSTRATING STAFF TIME SAVINGS FOR ONGOING MTW ACTIVITIES



VII. SOURCES AND USES OF FUNDING

Note: The following amounts are based on actual and budgeted 2009 amounts.

A. SOURCES AND USES OF MTW FUNDS

FY 2010 Planned Sources

	PUBLIC HOUSING	SECTION 8- MTW	MTW CONSOLIDATED
Rental Revenue	1,307,564		1,307,564
Section 8 Subsidy		238,954,000	238,954,000
Operating Subsidy	878,927		878,927
HUD Grants			
Other Revenue	47,914	360,000	407,914
HUD NonOperating Contributions			
Total Sources	2,234 ,405	239,314,000	241,548,405

FY2010 Planned Expenditures

	PUBLIC HOUSING	SECTION 8- MTW	MTW CONSOLIDATED
PH Subsidy Transfer			
Housing Assistance Payments		223,532,000	223,532,000
Tenant Services	9,085		9,085
Maintenance	745,906		745,906
Utilities	385,581		385,581
General	1,018,310	15,782,000	16,800,310
Central Office Cost Allocations			
Total	2,158,882	239,314,000	241,472,882

B. SOURCES AND USES OF STATE AND LOCAL FUNDS

FY2010 Planned Sources

	NON-MTW CONSOLIDATED
Rental Revenue	594,885
Section 8 Subsidy	1,728,419
Operating Subsidy	
HUD Grants	1,099,383
Development Fee	721,000
Non-HUD Grants	606,314
Other Revenue	7,194,025
HUD Nonoperating Contributions	
Other Nonoperating Contributions	
Total Sources	11,944,026

All State and Local funds will be used for program operations.

C. SOURCES AND USES OF COCC

All Public Housing COCC net revenue will be used for low income housing and related operating expenses.

D. ALLOCATION METHOD FOR CENTRAL OFFICE COSTS

The Housing Authorities of the County of Santa Clara and the City of San Jose have elected to use an allocation method for central office costs (overhead, support departments and facilities) that is consistent with the methodology of OMB Circular A-87.

E. USE OF SINGLE FUND FLEXIBILITY

Funding flexibility for block grant MTW programs allows agencies to combine resources they previously could not combine in order to better utilize their funding streams to address local program and administrative and operational needs.

Under this MTW Plan, HACSC’s public housing operating subsidy, public housing, capital funds and Section 8 HCV funds may all be used for both programs and other eligible activity permissible in Section 8 (s),[(d) (1)] of the 1937 Housing Act. It should be noted that during this fiscal year, as described in the preceding sections, HACSC plans to remove the remaining 350 units of its public housing and transition them to 100% project-based vouchers, eliminating public housing operating subsidy and capital funds from its budget.

HACSC intends to combine funding awarded by HUD into a single agency-wide funding source (“MTW Funds”) in accordance with authorizations described in Attachment C of HACSC’s MTW agreement. HACSC will use these funds to carry out the purposes of the MTW Demonstration program including those described in Section B.1.b of Attachment C.

These activities may be carried out by HACSC or by an entity, agent, or instrumentality of HACSC, and will comply with OMB Circular A-87, and with its MTW Agreement.

FY2010 activities anticipated by HACSC may include, but are not limited to:

1. Provision of capital funds and/or operating funds assistance to housing previously designated as public housing and undergoing conversion through Demo Disposition authorization;
2. Funding substantial rehabilitation of housing units under Demo Disposition, including administration and planning costs, relocation and other related activities;
3. Provision of housing and employment-related services and case management activities in connection with the Demo Disposition program;
4. The provision of management services, including preparation of work specifications, loan processing, inspections, tenant selection, management of tenant and project-based rental assistance and management of other facilities and operations;
5. The provision of safety, security, and law enforcement measures and activities appropriate to protect residents of housing from crime;
6. The provision of HCV assistance and project-based rental assistance;
7. The acquisition and/or development of new units for people of low income;
8. The use of housing assistance payments for purposes other than payments to owners so long as these purposes are consistent with other eligible use of Section 8 and Section 9 funds;
9. The use of funds for other operating and administrative activities as approved by the HACSC Board of Commissioners, and
10. The use of funds for the development, management and maintenance of affordable housing inventory.

Partnerships with For-Profit and Non-profit Entities

As described in Section B.2 of Attachment C of the Agreement, HACSC may engage in MTW eligible activities in partnering with for-profit and non-profit entities using less restrictive regulatory requirements.

VIII. ADMINISTRATIVE

HACSC will design a method of evaluating the MTW demonstration to monitor and refine the effective use of funding related to stated goals and objectives. The evaluation will also provide measurable and comparable results on the activities under MTW. Progress and outcomes of tasks and objectives are tracked and reviewed on a routine basis.

HACSC has opted out of SEMAP as provided in Section 2.G of the Moving to Work Agreement and will establish its own quality control system designed to measure the quality and timeliness of work performed.

Appendix One: Board Resolution Approving the MTW Plan

Resolution No. 09-04

Appendix Two: Documentation of the Public Review Process

This appendix documents the public review process and provides summaries and comments on the input received related to the activities described in the draft MTW Annual Plan for FY 2010.

I. Public Notices

On February 27, 2009, HACSC posted a public notice in the San Jose Mercury News, a Santa Clara County public newspaper, of the availability of its MTW Annual Plan for review. The notice gave directions on how to submit comments on the proposed MTW Plan during the 30-day period from February 27, 2009 through March 30, 2009 and provided information on the public hearing held March 30, 2009. The notice was also published in the following newspapers: El Observador (Spanish language newspaper) and Vietnam Daily News (Vietnamese language newspaper).

The draft Plan, information on how to submit public comments and on the public hearing was posted in the HACSC main lobby and on the HACSC website. Summaries of the Plan in English, Spanish and Vietnamese were available in the HACSC lobby and online. A flyer on the availability of the Plan and on the public hearing was posted in English, Spanish and Vietnamese on the public bulletin board outside the agency.

In addition to the public notice, HACSC advised several community stakeholders and legal and housing advocacy groups of the availability of the draft MTW Annual Plan, the public hearing and how to submit comments on the Plan.

II. Public Hearing

The public hearing regarding the Plan was held on Monday, March 30, 2009 at 3:00 p.m. The hearing facilitator provided a short introduction about the draft MTW Plan, and then audience members were provided the opportunity to speak regarding the Plan.

Thirty-four persons attended the hearing and eighteen chose to speak. The hearing was recorded and the speakers' key points are consolidated and summarized below.

- A speaker from Silicon Valley Independent Living Center, a non-profit agency that serves persons with disabilities, asked for a set-aside of 200 vouchers for persons with disabilities and advocated for an increase in disability accessible living units throughout Santa Clara County.
- Eight additional speakers from the community advocated for 200 dedicated vouchers for persons with disabilities and an increase in affordable housing throughout the county for persons with disabilities.
- A speaker from Senior Housing Solutions, a community agency that provides the low-income elderly with safe, affordable housing asked that HACSC use its MTW

flexibility to increase the amount of affordable housing for senior citizens in Santa Clara County.

- A speaker from Destination: Home, a public-private collaborative dealing with issues of homelessness, asked HACSC for 1/3 of any turnover and new vouchers awarded by HUD (or a minimum of 200 vouchers) to be designated to the chronically homeless for FY2010, with priority to go to the chronically homeless with disabling conditions and to those receiving intensive case management.
- A speaker from the City of San José read a letter from Mayor Chuck Reed (see Section III of this Appendix for a summary of the letter and HACSC’s comments).
- A speaker from Santa Clara County Mental Health Department requested a minimum of 200 vouchers for the chronically homeless to be distributed on a per capita percentage in the northern, central and southern areas of Santa Clara County and asked for a representative from the County’s Collaborative on Homelessness to be a part of the planning for the chronically homeless direct referral process. The speaker also supported ongoing MTW Activity #11 (Project Base 100% Units in Family Projects) and opposed proposed MTW Activity #4 (Allocating Project Based Vouchers to HACSC-owned Projects without Competition).

HACSC Comment: HACSC intends to continue to issue competitive Requests for Proposal in the coming years that are fair and free of the appearance of bias that occurs when HACSC competes in the same contest for project-based vouchers. See Section V of this Appendix for a complete response to community concerns about this activity.

- A speaker from the South County Collaborative and a speaker from St. Joseph’s Family Center also supported an increase in the number of vouchers to the chronically homeless and the county-wide geographic distribution of the vouchers based on a per capita percentage.
- Two speakers from Community Homeless Alliance Ministry (CHAM) spoke in support of the efforts HACSC has made in housing the chronically homeless to date and asked for the highest of 200 vouchers or one-third of new and turnover vouchers to be designated to the chronically homeless for FY2010. The speaker requested that assistance to the chronically homeless not be tied to a case management requirement.
- A speaker from Catholic Charities spoke about the strong need for autonomy felt by most long-term homeless and asked that 200 vouchers be allocated to the chronically homeless for FY2010.

III. Correspondence Received on MTW Plan

HACSC received four letters and seven emails during the public review period of the draft MTW Annual Plan for FY 2010. Included below are summarized comments from the letters and emails.

1. Letter from Stowers Associates Architects dated March 27, 2009

The writer asked HACSC to include in its MTW Plan strategies to address the housing crisis that senior citizens are facing in the community and asked that the goals and objectives listed in Section I of the Plan be amended to include the needs of seniors.

2. Letter from the Mayor of the City of San José dated March 30, 2009

The Mayor requested that one-third of turn-over vouchers, one-third of any new vouchers awarded to the agency and one-third of all new or turn-over project-based vouchers be designated for chronically homeless persons and requested that proposed MTW Activity #4 (Allocating Project Based Vouchers to HACSC-owned Projects without Competition) be removed from the Plan.

HACSC Comment: HACSC received two other letters opposing proposed MTW Activity #4 and has provided a response to these concerns in Section V of this Appendix.

3. Emails sent March 24, 2009 from the Alzheimer’s Association of Northern California and Senior Housing Solutions (an agency that provides the low-income elderly with affordable housing)

The writers asked HACSC to include in its MTW Plan strategies to address the housing crisis senior citizens are facing in the community and asked that the goals and objectives listed in Section I of the Plan be amended to include the needs of seniors.

4. Email sent March 24, 2009 from the Director of St. Joseph’s Family Center (a non-profit agency that provides resources for persons in crisis)

The writer requested that HACSC reserve at least 200 vouchers for the chronically homeless and asked that the vouchers designated for the chronically homeless be distributed on a percentage basis to those areas of Santa Clara County with the highest per capita rate of homelessness.

5. Email sent March 25, 2009 from the City of Campbell, CA Housing Department

The writer commended HACSC on the thoroughness of the MTW Plan and asked HACSC to include in its MTW Plan objectives and policies to address the housing crisis senior citizens are facing in the community.

6. Email sent March 29, 2009 from The Leading Age Institute, Inc. (a non-profit that helps communities develop age-friendly projects and practices)

The writer asked that strategies to address the unique housing needs of seniors in the community be included in the Plan and that the goals and objectives listed in

Part I of the Plan be revised to include exploring programs and partnerships that can expand housing options for seniors.

7. Email sent March 30, 2009 from Destination: Home (a public-private collaborative formed to end homelessness)

The writer asked that one-third of turnover vouchers and one-third of any new vouchers awarded to HACSC be made available on a direct referral basis to the chronically homeless with disabling conditions and to those provided with intensive case management. The writer also asked that the vouchers designated to the chronically homeless be made continually available to the chronically homeless on a turnover basis.

8. Email sent March 30, 2009 from Mid Peninsula Housing Coalition (a non-profit developer of affordable housing)

The writer stated that their organization does not oppose proposed MTW Activity #4, but reminded HACSC of the importance of providing the opportunity of PBV assistance for all affordable housing projects, including those sponsored by non-profit developers. The writer asked that the needs assessment for special needs populations described in Part III of the Plan be conducted on a priority basis.

IV. Joint Statement from Bay Area Legal Aid, National Housing Law Project and Mental Health Advocacy Project

Three different legal services agencies participated in a conference call with key HACSC staff to discuss the proposed MTW activities for FY2010 and collaborated in preparing an extensive item-by-item response to the MTW Draft Plan. Their comments were generally supportive of the MTW Plan. A summary of their input that relates to the proposed activities for FY 2010 is below. HACSC will take all of the comments into consideration as the Plan is further developed.

Comments from Conference Call on March 23, 2009:

Proposed MTW Activity #1: Eliminating 100% Excluded Income from the Income Calculation Process

The representatives participating in the conference call asked that program applicants and participants be provided a complete list of all possible sources of income clearly identifying which sources of income need to be reported and which are excluded and do not need to be reported.

Proposed MTW Activity #2: Exclude Asset Income from Income Calculations for Families with Assets Under \$50,000

The representatives participating in the conference call asked that program applicants and participants who have total family assets over \$50,000 only have the asset amounts over \$50,000 calculated for asset income.

HACSC Comment: If this activity is approved, HACSC will develop a detailed procedure for how to calculate the income from assets over \$50,000 in a procedure.

Comments from Joint Statement dated March 30, 2009:

Proposed MTW Activity #3: Apply Current Increased Payment Standards at Interim Reexaminations

The writers asked that Activity #3 be clarified to state that the activity only applies when there is an increase in the payment standard and not a decrease.

Proposed MTW Activity #4: Allocate Project Based Vouchers to HACSC-owned Housing Projects without Competition

The writers asked that HACSC evaluate the public housing residents who use their voucher to move from the complex; specifically it was recommended that HACSC should track where they move and whether they ultimately leave the program.

V. Letters Received in Opposition to Proposed MTW Activity #4

HACSC received two letters in opposition to proposed MTW Activity #4.

1. Letter from Community Housing Alliance dated March 27, 2009 and Letter from Eden Housing dated March 30, 2009

- Opposed proposed MTW Activity #4 as unfairly giving HACSC priority to project base its own units (Allocating Project Based Vouchers to HACSC-owned Projects without Competition).
- Felt that decisions on the allocation of project-based vouchers (PBV) should be based on priorities to house those most underserved, including the homeless and families with extremely-low incomes.

HACSC Comment: HACSC has a proven success record in producing high-quality housing for low-income populations and is committed to increasing the stock of affordable housing in Santa Clara County. HACSC project bases its properties to further this commitment.

HACSC intends to issue competitive Requests for Proposal for PBV's in the coming years that are targeted to special needs populations. Activity #4 streamlines a lengthy and burdensome PBV approval process for HACSC-owned projects while ensuring that competitive selections for PBV's are fair and free of the concern of bias that occurs when HACSC competes with other developers in the same contest for project-based vouchers.

Appendix Three: HACSC Moving to Work Agreement

Moving to Work Agreement for the Housing Authority of the County of Santa Clara executed February 26, 2008

Moving to Work Agreement for the Housing Authority of the City of San Jose executed February 26, 2008