Moving to Work (MTW) 2012 Annual Report

for the Housing Authorities of the County of Santa Clara and the City of San José

March 8, 2013

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

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

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I. INTRODUCTION AND OVERVIEW

Purpose of This Report

In early 2008, the Housing Authority of the County of Santa Clara (HACSC), and the Housing Authority of the City of San Jose (which is administered by HACSC), entered into a ten-year agreement with the Department of Housing and Urban Development (HUD) to become a Moving to Work (MTW) agency. This report covers FY2012 (July 1, 2011 through June 30, 2012) and discusses the state of HACSC's MTW program, which is now in its fourth year.

Established in 1967 by the Santa Clara County Board of Supervisors, HACSC 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.

Purpose of MTW

In 1996, Congress established a federal MTW demonstration program, which links federal goals with locally-designed actions. The MTW program encourages selected housing authorities to propose and implement innovative changes to the way affordable housing programs are administered in order to meet three broad federal goals:

- To decrease costs and increase cost effectiveness in housing program operations,
- To promote participants' economic self-sufficiency, and
- To expand housing choices for low-income households.

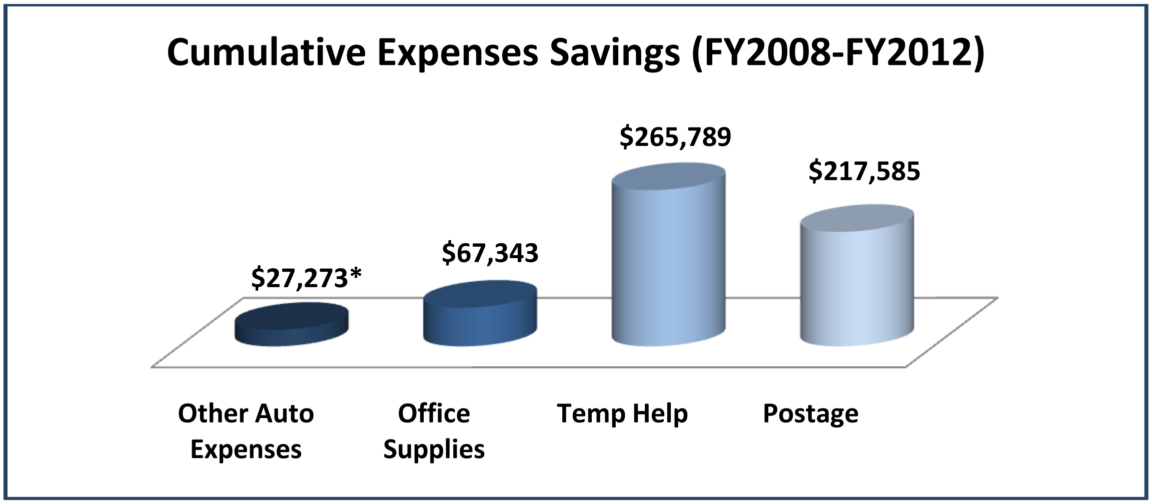
MTW requires HACSC to strive for these goals while ensuring that HACSC continues to serve at least as many households and substantially the same mix of program participants (in terms of income level and family size) as before receiving MTW designation.

Fiscal Year 2012: HACSC's Overall MTW Progress

Since 2008, HACSC has implemented 25 activities, 22 of which are ongoing. Section VI of this report describes the status and impact of each activity and Appendix Two provides an activity checklist.

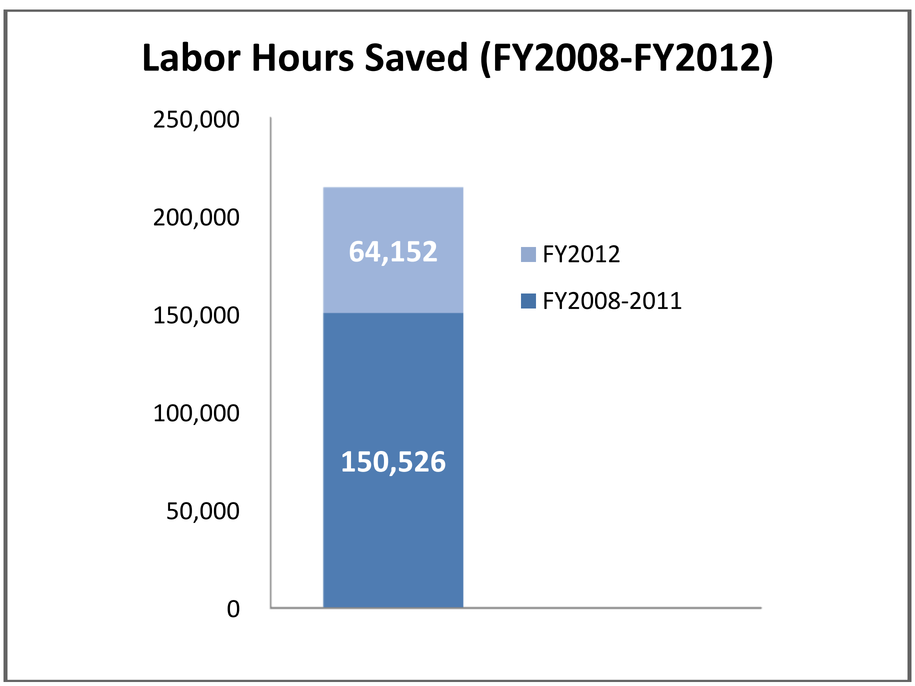
To date, the majority of HACSC's MTW activities were designed to improve administrative processes and to promote system efficiencies. In FY2012, HACSC furthered this objective by commissioning CPS HR Consulting to conduct an in-depth review of its most current business processes and to evaluate appropriate staffing levels in light of streamlined and automated administrative responsibilities. HACSC referred to the results of the workforce staffing study to make informed decisions regarding potential labor cost savings realized through actual reduced staffing levels. HACSC continues to refine its program management in accordance with the current fiscal climate, and in response to administrative fee funding decreases.

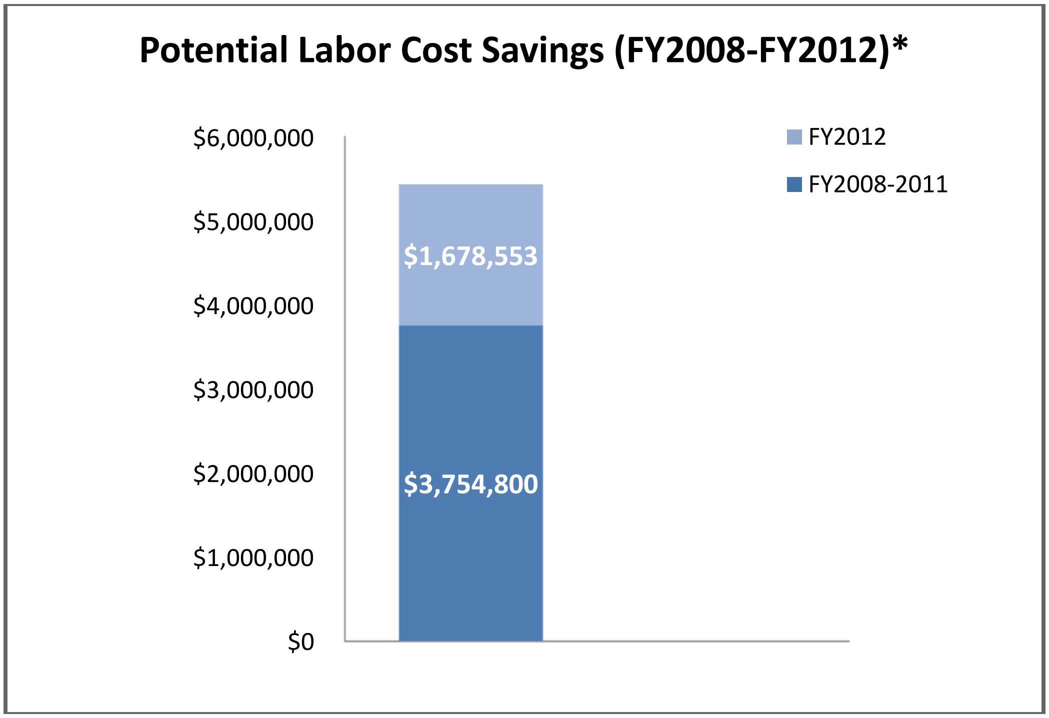
In the past four years as an MTW demonstration agency, HACSC has realized $577,990 in direct expense savings (such as office supplies, postage, and temporary help). The graph below illustrates the cumulative expense savings realized from administrative streamlining:



*As of FY2012, HACSC no longer tracks Auto Expenses Data.

Additionally, HACSC staff has been able to save over 200,000 cumulative labor hours through its administrative streamlining activities—by eliminating certain regulatory requirements and processes, HACSC has reduced key work tasks by approximately 50%, which translates to over $5 million dollars in estimated cumulative potential labor savings, from FY2008-FY2012.





*For reporting purposes, HACSC labor savings have been calculated as a theoretical figure, using the number of labor hours saved multiplied by the average salaries for the specific streamlined functions. As of FY2012, HACSC has realized these savings through quality of work performed, time increases re-allocated to other work functions (such as customer service), and increased training time.

As a result of an in-depth housing needs assessment undertaken in FY2011, HACSC addressed identified needs for providing affordable housing and services for special needs populations by releasing a Request For Proposals to issue 87 project-based vouchers (PBVs) to be used for the elderly, disabled, and chronically homeless population. In FY2012, working together with four different management organizations/developers, HACSC began leasing up the 87 vouchers at eight various sites throughout Santa Clara County.

HACSC continues to move towards implementing rent reform activities. In FY2012, HACSC extensively researched and developed a comprehensive and carefully planned rent reform program. Sensitive to potential impacts to the overall participant population, HACSC structured the rent reform schedule with a cost neutral financial impact to the Agency in mind. After analyzing the potential financial and program impacts to current and future participants, HACSC concluded that its proposed rent reform would ultimately benefit participants—in particular, participants coming onto the program would, at the time of voucher assistance, have the knowledge of the total housing assistance amount that the Agency would provide. Empowered with this information, participants would be able to make informed housing decisions to evaluate the best housing options for their personal situation.

HACSC extensively engaged with community partners and stakeholders to discuss its proposed broad-based rent reform. Through these discussions, HACSC recognized the need for further community engagement and dialogue to design a rent reform strategy that will both meet

MTW objectives and speak to local challenges. Consequently, HACSC withdrew its proposed rent reform activity and will continue to explore rent reform coupled with new self-sufficiency initiatives in FY2013.

Successful HACSC Initiatives

Working cross-departmentally, HACSC implemented a number of initiatives which provided agency-wide benefits in FY2012. These initiatives include:

1. Continued business model evaluations and reform. For the past four years, HACSC has continuously worked towards analyzing and refining its business process to more effectively and efficiently administer its programs. HACSC's business model evaluation began in FY2008, when it hired a third-party consultant (Moss Adams) to study ways to improve operational efficiencies through the Agency's organizational structure, business process flow, eliminating redundant processes and overall capacity. In 2010, HACSC continued to assess the streamlining of key business processes through the efforts of a consultant (LeanFIRM), who conducted a business process review to eliminate redundancies and excessive handoffs in connection with the launch of the new software. As a result of the study, HACSC implemented business process changes in tandem with new voucher program software, which went live in February 2012. Also in FY2012, a few years after HACSC first began its administrative streamlining activities, the Agency commissioned CPS HR Consulting firm to validate the simplification on the new business process and to determine appropriate staffing levels in light of these new processes.

2. Leasing-up of 67 of the 87 project-based vouchers targeted at the special needs population. These project-based vouchers, issued to 8 various properties throughout Santa Clara County, were designated for special needs populations (seniors, disabled, chronically homeless) through an RFP competitive selection process in 2011.

3. Continued collaboration with community service providers in order to administer vouchers for special populations, including Veterans Affairs Supportive Housing (VASH), Shelter Plus Care (SPC), and Non-Elderly Disabled Vouchers (NED). Each of these special programs require a significant amount of cross-departmental coordination as well as external collaboration with community organizations and stakeholders.

4. Conversion and rehabilitation of 535 of 555 former public housing into tax credit housing, leveraging over $120 million dollars in private-public funds during the process. This process required significant collaboration across all HACSC departments, including Finance, Real Estate, and Housing Programs Operations.

5. Transferred all HACSC-owned or -controlled affordable housing properties to third-party property management, thereby reducing costs and improving cash flow at all the sites.

6. Contracted with Lifesteps, a third-party non-profit organization, to provide a variety of life skills and educational programs for residents at HACSC's affordable housing properties.

7. Received HUD approval to accumulate RHF grant funds and adopted a third MTW amendment, which will allow the accumulation of up to ten years of RHF grant funds to be used for the development of non-public affordable housing units. These funds will be used to help leverage private financing used to construct up to 175 units of new affordable housing at the Park Avenue development site.

More information about these successes is provided in Sections III and IV of this report.

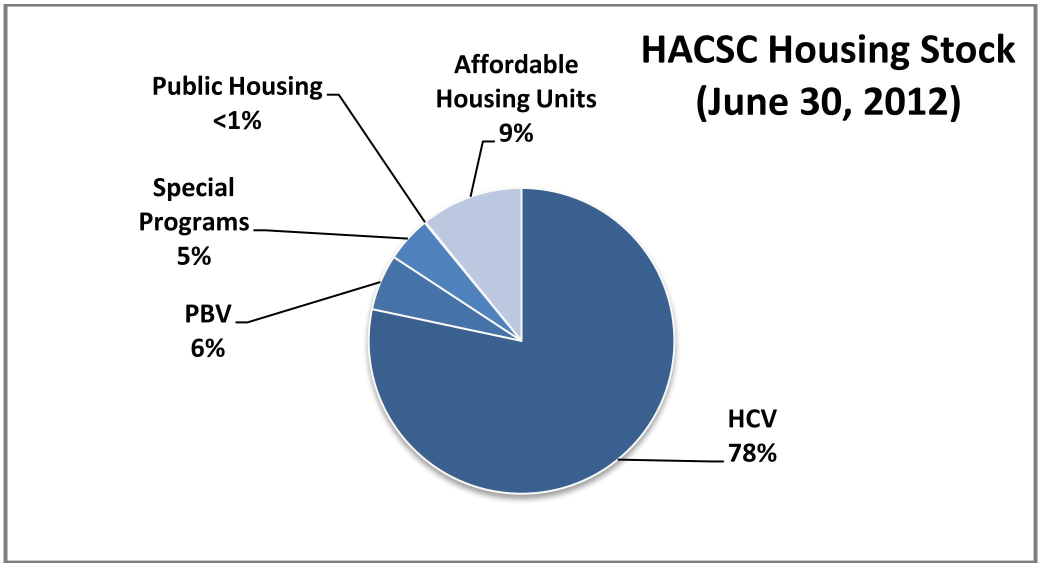
Long-Term MTW Plans and Source/Use of Funds

Section IV of this report briefly outlines HACSC's long-term plans for its MTW program, highlighting HACSC's: continued MTW Activities implementation, innovative financing and development strategies, focus on refining and streamlining of processes, and targeted outreach to special needs populations.

Section VII of this report provides details on the sources and uses of HACSC's MTW and non-MTW funds in FY2012.

II. GENERAL HACSC OPERATING INFORMATION

HACSC assists over 19,000 households with rental assistance through its various rental assistance programs. Although the majority of rental assistance is provided through the Housing Choice Voucher program, HACSC also administers smaller programs which provide affordable housing, some to targeted populations. Examples of these programs include: Project Based Voucher (PBV), Veterans Affairs Supportive Housing (VASH), and Shelter Plus Care (SPC). HACSC also owns/controls approximately 2,300 units of affordable housing in the County.



Housing Stock Information

1. Public Housing Units and Planned Capital Expenditures

In FY2012, no major capital expenditures were incurred. New signs were installed and some repairs were made but no contract exceeded 30% of the annual grant amount.

Number of Public Housing Units: 20

In 2007, HUD granted approval to HACSC for the disposition of its 555 public housing units. Soon after, HACSC began transferring ownership of its first 200 units to a tax-credit limited partnership. Ownership was then transferred, in FY2011, for an additional 335 units (at 3 family and 3 senior developments), which were rehabilitated and converted to tax-credit units.

HACSC's final 20 public housing units were renovated in FY2010 and HUD approval of the disposition plan for these units is currently pending. Once HUD approval is granted, HACSC will have completed the disposition of a total of 555 public housing units.

Table 1: List of Public Housing Properties Pending Disposition

Development	Type	Number of Units
Deborah Drive	Family	4
Eklund Gardens I	Family	10
Eklund Gardens II	Family	6
	Total	**20**

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

HACSC was authorized to serve 16,622 households throughout the County of Santa Clara under its MTW program. These include the following programs:

15,366 Tenant-based Vouchers
1,256 Project Based Vouchers
16,622 Total

Additionally, the following non-MTW units were authorized during FY2012:

53 Mainstream Vouchers
84 Moderate Rehabilitation units*
174 Shelter Plus Care units**
535 Veterans Affairs Supportive Housing (VASH) Vouchers
100 Family Unification Program Vouchers
15 Tenant Based Rental Assistance (TBRA)
10 Non-Elderly Disabled Vouchers
954 Total

*9 Moderate Rehabilitation units opted out of the program in FY2012.
**Although 174 units are authorized, Shelter Plus Care regulations allow any remaining funds to be used to serve a great number of participants (§582.105(c)(2)).

Table 2: Number of MTW Housing Choice Voucher Units Authorized at the Beginning and End of FY2012

Type	Authorized 7/1/11	Authorized 6/30/12
Tenant-Based	15,601	15,367
Project-Based	1,012*	1,256*
Total	**16,613**	**16,622****

*Due to the ongoing demolition/disposition process at the time the FY2012 MTW Plan was written, 56 project-based units were brought under contract between when the FY2012 Draft MTW Plan was submitted (April) and when the FY2012 Final MTW Plan was approved. Adding the 188 units that were project-based in FY2012, there was an increase of 244 project-based vouchers since FY2011 (the 20 remaining PBV units committed in FY2012 are not included in these numbers because the units were not under contract as of the writing of this Report).
**In FY2012, 9 Moderate Rehabilitation units opted out of the program. As a result, HUD authorized 9 vouchers for these units, thus increasing HACSC's authorized vouchers by 9.

Table 3: Number of Non-MTW Units Authorized at the Beginning and End of FY2012

Type	Authorized 7/1/11	Authorized 6/30/12
Mainstream	53	53
Moderate Rehabilitation	93	84
Shelter Plus Care	174	174
Veterans Affairs Supportive Housing	435	535
Family Unification Program	100	100
TBRA (City of Sunnyvale)*	10	15
Non-Elderly Disabled Program	10	10
Total	**875**	**971**

*The City of Sunnyvale requested, and was granted, the addition of 5 TBRA units in September 2011.

3. Number of HCV Units Project-Based or Committed During FY2012

HACSC project-based 188 units and has committed vouchers for 20 units, for a total of 208 units project-based in FY2012. The majority of these vouchers were the result of two new construction projects—Fair Oaks and King's Crossing—which were awarded the vouchers through a competitive Request for Proposals (RFP) selection process in 2007. Other units that were project-based include 67 of the 87 project-based vouchers which were designated for special needs populations through an RFP competition in 2011. HACSC expects to project-base the remaining 20 units committed to Tully Gardens property in early FY2013.

Using authority granted from MTW Activity 2010-4, HACSC project-based three units at Seifert House, a HACSC-owned property that provides affordable housing to three senior residents.

Of the 188 units project-based (including the 67 designated for special needs populations) in FY2012, 131 were allocated to assist seniors (70%), 32 were allocated to assist the disabled (17%), and 25 were allocated to assist chronically homeless families (13%). While Fair Oaks and King's Crossing were both new construction, the remainder of the project-based vouchers were awarded to existing housing.

HACSC continues to reserve vouchers allocated by HUD specifically for the disposition of its remaining 20 units of public housing, pending approval from HUD for disposition. The twenty vouchers are currently being utilized by eligible households. Once the disposition is secured, vouchers from routine Agency turnover will be made available to the existing public housing residents and will function as replacement vouchers.

Table 4: Properties Project Based or Committed to PBV in FY2012 (Non Public Housing)

Name of Project	Location of Project	Number of PBV Units	Population Served
Fair Oaks Plaza	Sunnyvale	93	Seniors
Kings Crossing	San Jose	25	Homeless
Crescent Terrace	Sunnyvale	20	Seniors
Carroll Inn	Sunnyvale	20	Disabled
Tully Gardens*	San Jose	20	Homeless/Disabled
Gish Apartments	San Jose	6	Disabled
Casa Feliz	San Jose	6	Disabled
Anne Way Residence	Los Gatos	5	Seniors
Blossom Hill Residence	Los Gatos	5	Seniors
Llewellyn Residence	Campbell	5	Seniors
Seifert House	San Jose	3	Seniors
Total		**208**	

*Committed

4. Other Housing Managed by HACSC

As of the end of FY2012, all affordable housing properties owned or controlled by HACSC (which are comprised of a mix of senior, family, and other housing) are now administered by third-party property management companies.

Table 5: Other Housing Managed by HACSC, by type

Type of Housing	Number of Units
Tax Credit Senior Housing	1153
Tax Credit Family Housing	865
Other Housing	183
Total	**2201**

Table 6: Other Housing

Name of Project	Location of Project	Type of Housing	Number of Units 6/30/11	Number of Units 6/30/12
Auturo Ochoa Migrant Center*	Gilroy	Farm Worker Housing	100	0
Villa Garcia	San Jose	HUD 236, Sec 8 PBA	80	80
Villa San Pedro	San Jose	Sec 8 221 (d)3, Sec 8 PBV	100	100
Seifert House†	San Jose	Single Family Home	3	3
Total			**283**	**183**

*Note: The Auturo Ochoa Migrant Center was transferred to the County of Santa Cruz in FY2012.
†Seifert House vouchers were project-based in FY2012.

Table 7: Tax Credit Senior Housing

Name of Project	Location of Project	Number of Units
Avenida Espana	San Jose	84
Bracher Senior	Santa Clara	72
Cypress Gardens*†	San Jose	125
DeRose Gardens	San Jose	76
El Parador	San Jose	125
John Burns Gardens	Santa Clara	100
Lenzen Gardens*†	San Jose	94
Morrone Gardens	San Jose	102
Rincon Gardens*†	Campbell	200
Sunset Gardens*†	Gilroy	75
Villa Hermosa	San Jose	100
	TOTAL	**1153**

*These properties also include non-elderly disabled.
†These properties also include Project-Based vouchers.

Table 8: Tax Credit Family Housing

Name of Project	Location of Project	Number of Units
Blossom River Apts.	San Jose	144
Helzer Courts	San Jose	155
Huff Gardens	San Jose	72
Julian Gardens†	San Jose	9
Klamath Gardens	Santa Clara	17
Lucretia Gardens†	San Jose	16
Miramar†	Santa Clara	16
Opportunity Center†	Palo Alto	89
Pinmore Gardens	San Jose	51
Poco Way Apts†	San Jose	129
Rivertown	Santa Clara	100
San Pedro Gardens	Morgan Hill	20
The Willows	San Jose	47
	TOTAL	**865**

†These properties also include Project-Based vouchers.

Leasing Information

1. Public Housing

At the end of FY2012, HACSC had a total of 20 MTW public housing units, all of which were occupied. There are no non-MTW public housing units in HACSC's housing stock.

2. Housing Choice Voucher Program

Since its MTW designation, HACSC has realized cost efficiencies due to MTW activities, which has enabled the Agency to over-lease its Housing Choice Voucher program baseline by 1%. As of June 30, 2012, HACSC assisted 16,843 MTW vouchers, 220 households above its baseline.

In addition to the Housing Choice Voucher program, HACSC administers additional HUD authorized rental assistance programs. With the exception of the Shelter Plus Care program, none of these special programs allow for over-leasing. Due to normal fluctuations in lease-up status due to moves, deaths and other terminations, not all programs were fully leased-up at the end of FY2012 (i.e. Mainstream, VASH, FUP, NED, and TBRA). HACSC will continue to monitor these special programs to ensure full lease-up.

Table 9: Non-MTW Units Leased as of 6/30/12

Non-MTW Vouchers	Leased as of 6/30/12
Mainstream	51
Mod Rehab	84
Shelter Plus Care	230*
VASH	422
FUP	95
NED	8
TBRA	12
Total	902

*Although 157 units are authorized by HUD, Shelter Plus Care regulations allow any remaining funds to be used to serve a great number of participants (§582.105(c)(2)).

3. Issues Related to Leasing HCV or Public Housing Units

Although the local rental market contract rents continue to increase, HACSC maintained over 100% lease up with the payment standards set at 93% of published Fair Market Rents.

4. Project Based Vouchers

As of the end of FY2012, HACSC had 1,256 Project Based Vouchers under contract. All Project Based Vouchers are anticipated to be, or remain, leased-up in FY2013.

Waiting List Information

HACSC maintains site-based waiting lists for former public housing properties, which were updated in FY2011 and are being used to fill the vacancies that occur at former public housing properties which converted to PBV. As of the end of FY 2012, 46 households remain on the waiting lists. The Public Housing Wait List will be re-opened in FY2013. Because there are only 20 Public Housing units remaining, HACSC seeks to keep the list at a reasonable size in order to be considerate to the public and to make it clear that there are a limited number of available units.Per MTW Activity #2009-13, HACSC maintains a combined waiting list for the County of Santa Clara and the City of San Jose. In October 2010, HACSC updated the waiting list, resulting in a significant decrease in the number of applicants (from 53,279 to approximately 21,000). Due to factors such as the program being over-leased, and the low turnover rate of vouchers, waiting list applicants will have a long wait before moving to the top of the list.

As of June 30, 2012, below are the demographics of applicants on HACSC's voucher waiting list.

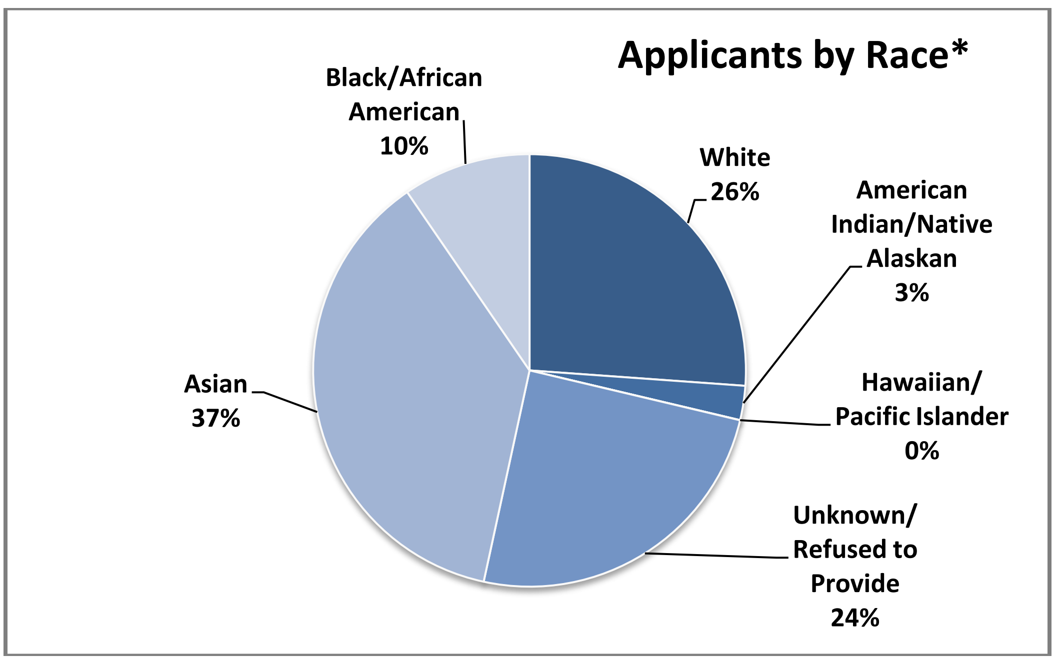
Table 10: HCV Applicant Income Levels—Waiting List

Income Category	Total
Extremely Low Income	13,533
Very Low Income	3,779
Low Income	329
Over Low Income	41
Unknown/Refused to Provide Income	3,550

Table 11: HCV Applicant Gender—Waiting List

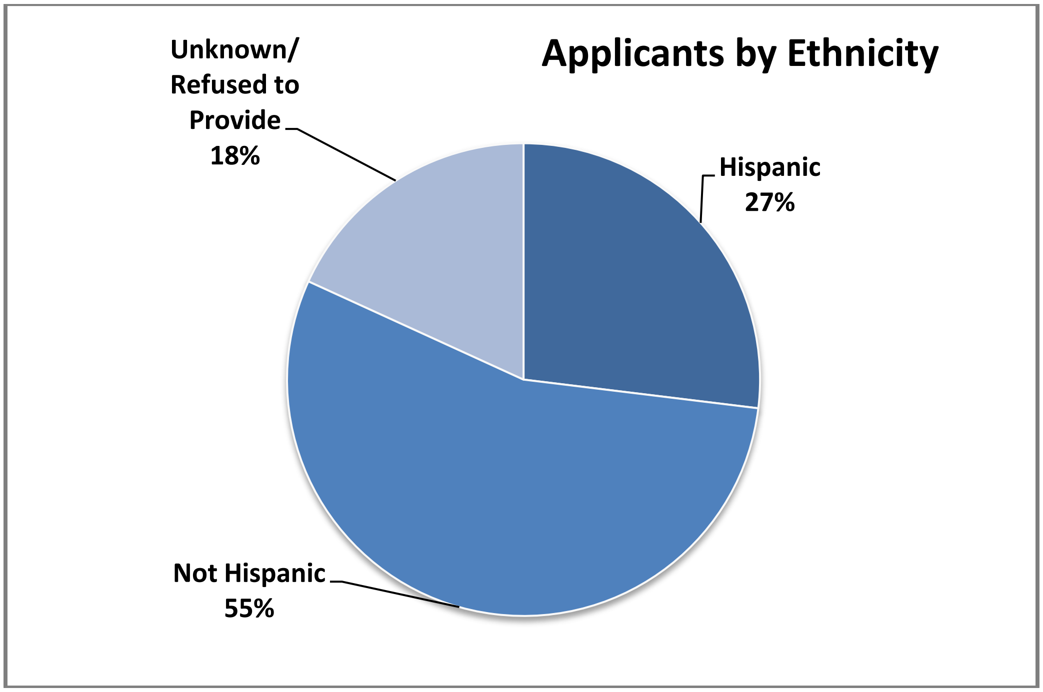
Gender	Number of Applicants
Female	11390
Male	6661
Unknown/Refused to Provide	3181

Race Demographics– Section 8 HCV Waiting List



*HACSC's new Section 8 software captures "First Race" information only. For example, if an applicant lists race as "White" and "Asian," the software will show the race as "White."

Ethnicity Demographics– Section 8 HCV Waiting List


Applicants by Ethnicity
Unknown/ Refused to Provide 18%
Hispanic 27%
Not Hispanic 55%

III. NON-MTW RELATED HACSC INFORMATION

In addition to working towards statutory objectives and administrative efficiencies relating to the MTW program, HACSC has also continued to refine its non-MTW programs. Below are highlights of actions HACSC undertook in FY2012:

- Reaffirmed past business process studies and automation of services by commissioning CPS HR Consulting to validate the simplification of the new business process and to determine appropriate staff leveling. In its budget review process, HACSC's Board of Commissioners took into account the CPS Study staff leveling results, and in June 2012, adopted a budget which included reduction in force, reclassifications, and outsourcing. Through the workforce reduction, HACSC will realize an ongoing labor cost savings in future years. Actual realized savings to HACSC's budget, resulting from staff reductions, will be reported in more detail in HACSC's FY2013 MTW Report.

- Continued to partner with the Palo Alto Veterans Affairs Medical Center (VAMC) to administer VASH vouchers. Veterans who receive these vouchers also receive extensive case management services, which are provided by VAMC. In FY2011, HACSC administered 335 VASH vouchers. Due to the program's success, HUD awarded HACSC with an additional 100 VASH vouchers at the beginning of FY2012 and another additional 100 VASH vouchers at the close of the fiscal year, for a total of 535 VASH vouchers.

- Continued to administer Shelter Plus Care (SPC) grants, in collaboration with over 20 case service providers throughout Santa Clara County. Participants in the SPC program are homeless and disabled and receive rental assistance in tandem with supportive services. Although HUD has authorized HACSC to serve at least 157 participants, HACSC was able to serve 230 participants by the end of FY2012.

- Building on the successes of the Chronically Homeless Direct Referral Program (CHDR), HACSC committed to allocate 30% of the vouchers that turnover in CY2012 to the homeless in Santa Clara County, not to exceed 100 vouchers in CY2012. HACSC has adapted current program design and continued to work closely with community partners and service providers to address current, local needs.

- Administered on behalf of the City of Sunnyvale, the Tenant-Based Rental Assistance (TBRA) program which provides limited-term rental assistance to very low-income Sunnyvale residents who meet specific jurisdictional preferences. In September 2011, the City of Sunnyvale requested that HACSC administer an additional 5 vouchers, for a total of 15 TBRA vouchers.

- Partnered with the Silicon Valley Independent Living Center (SVILC) to lease-up the ten Category 2 Non-Elderly Persons with Disabilities (NED) vouchers awarded in FY2011.

Category 2 vouchers are specifically targeted at non-elderly households with disabilities transitioning from nursing homes and other health care institutions.

- Continued the conversion of HACSC's public housing to tax-credit housing and project-based vouchers. A total of 20 units, out of 555 total public housing units, remain. This process required significant collaboration across all HACSC departments, including Finance, Real Estate, and Housing Programs Operations.

- Transferred all HACSC-owned or -controlled affordable housing properties to third-party property management. By shifting day-to-day management of these properties to a third-party management company, HACSC was able to reduce costs and improve cash flow at all the sites. HACSC also carried out the first annual tenant survey which assess the property management, resident services and maintenance services.

- Contracted with Lifesteps, a third-party non-profit organization, to provide a variety of life skills and educational programs for residents at more than half of HACSC's affordable housing properties.

- Began the process of implementing new voucher program software. After a two-year in-depth research and analysis phase, HACSC published an RFP to select a new software vendor. Building on the revised business process review to streamline administrative efficiencies, eliminate redundancies and capitalize on newer automation technologies, HACSC worked closely with the new vendor to refine their software program to incorporate both the new business model and HACSC's unique MTW activities. Upon completion of that customization, HACSC staff developed a comprehensive training and implementation plan. During the first half of FY2012, staff prepared for the software conversion by cleaning up and converting data, updating and learning new system processes and methodologies, creating and refining procedures and accompanying manuals, and training staff on how to use the new system. During the second half of the fiscal year, the new software system "went live;" however, software implementation continues to be an ongoing process. Since initial implementation, HACSC has continued staff software trainings, worked with the software vendor to address any and all issues during the migration, continued to convert data from the old software system, and worked in close collaboration with the vendor to build future reports and data collection systems and processes.

- Continued to analyze, and implement, on-going cost savings measures in the HCV program with the goal of reducing HAP while continuing to serve the same number of families. As a result of this analysis, HACSC began billing for incoming porting participants in late FY2012.

- Project-based 67 of the 87 vouchers which were designated for special needs populations through an RFP competitive selection process in 2011. Of the 67, 35 were allocated to seniors and 32 were allocated to the disabled. HACSC expects to project-base the final 20 units in early FY2013—10 of these vouchers will be designated to the chronically homeless population.

- Completed the process to recover and secure data lost in FY2010 in a technology failure.

IV. LONG-TERM MTW PLAN

Using its MTW status in conjunction with its “broader use of funds” flexibility, HACSC plans on carrying out its long-term vision of sound fiscal stewardship, supported by cost-effective data-driven programs that serve low-income families by preserving and providing affordable housing and aims to serve as a model for other MTW agencies across the nation.

For over four years, HACSC has made conscientious efforts to evaluate and reform its business model to meet rising financial challenges and to capitalize on administrative efficiencies afforded by its MTW designation. Moving forward, HACSC will continue to hone its business model through ongoing evaluation and review. By transitioning to new Section 8 program software this past year, HACSC took a large step towards making its program administration more efficient through technology. The new software allowed HACSC to re-evaluate and update its current processes and resources (such as letters sent to participants and owners), bringing them more in line with best business practices. In conjunction with the launch of the new software program, HACSC also re-structured its business model to better align with increased operational workflow efficiencies realized by the software program.

HACSC will continue to explore comprehensive rent reform activities in FY2013. Recognizing the need for widespread community involvement surrounding proposed rent reform, HACSC will form an outreach strategy which provides ample opportunity for involvement and input. In doing so, HACSC strives to design a rent reform approach that will meet both local challenges and MTW objectives including the promotion of increased economic self-sufficiency for career-focused program participants.

In accordance with the MTW program’s federal goal of promoting participant economic self-sufficiency, HACSC plans to research and explore various ways to advance and incentivize economic advancement and stability for participants. HACSC intends to expand upon its current self-sufficiency model by supporting households who are poised to pursue self-sufficiency. Understanding that numerous factors and individual circumstances affect a participant’s efforts towards self-sufficiency, HACSC wants to ensure that participants are supported with the tools they need to be successful. To this end, HACSC will build on its work with community based organizations and service providers to leverage resources and provide support. Additionally, in FY2012, HACSC worked with a consultant to study and identify best practices in case management to evaluate its own case management programs including Family Self-Sufficiency and the Chronically Homeless Direct Referral Program (CHDR). Recommendations from that study form the basis for an expanded scope of services to be provided under the new CHDR model that includes intensive case management, housing location assistance, access to medical services, access to advocacy, and referrals to other various support services such as employment programs and addiction recovery services. In addition, HACSC intends to use the study to enhance and refine its approach to case management and expanded referral and self sufficiency initiatives for all program participants.

HACSC is also committed to increasing housing choice by acquiring, constructing, and rehabilitating properties. To this end, HACSC has created innovative financing and development strategies. To date, three properties have been acquired from tax-credit limited partnerships and HACSC intends to acquire five more properties in the next two years. HACSC also aims to substantially rehabilitate two other properties that were originally developed through the HUD 236 and HUD 221 programs, and will be recapitalized with Low-Income Housing Tax Credits and preserved as affordable housing. Additionally, using its broader use of funds authority under MTW, HACSC created an affordable housing preservation fund to ensure the long-term stability and viability of existing HACSC- and affiliate-owned rental housing properties throughout the County.

HACSC prioritizes assisting and providing affordable housing to low-income families in Silicon Valley. Using its MTW flexibility and block grant funding, HACSC has been able to over-lease to serve more families. However, while HACSC's commitment to providing affordable housing remains unchanged, HACSC may not be able to continue over-leasing in the future, due to the tightening rental market and ongoing federal funding cuts.

The historically low turnover rate of vouchers, combined with the high-cost rental market of Silicon Valley and the resulting critical need for affordable housing, highlights the importance of forming a targeted strategy to help the most vulnerable populations in Santa Clara County obtain housing. With this in mind, HACSC will continue to consult the Needs Assessment commissioned in 2011 to inform its decision-making as to how to best meet the community's housing needs and will continue, in particular, to increase opportunities for special needs populations such as the chronically homeless, disabled, and elderly.

Besides its MTW initiatives and activities, HACSC administers and operates a number of special programs. Collectively, these programs serve veterans, foster youth, non-elderly disabled, and the homeless populations. Each special program requires a significant amount of cross-departmental coordination as well as external collaboration with community organizations and stakeholders. HACSC anticipates continuing these programs as long as funding is available to do so.

V. MTW ACTIVITIES PENDING IMPLEMENTATION

The following two MTW activities were proposed by HACSC and approved by HUD, and are pending implementation:

#2012-1 Create Standard Utility Allowance Schedule – Housing Choice Voucher (HCV) Program
#2012-2 Two-Year Occupancy in Project-Based Voucher Unit Before Eligible to Receive Voucher

This section briefly describes and explains the status of each of these activities.

Create Standard Utility Allowance Schedule – Housing Choice Voucher (HCV) Program (Activity #2012-1)

DESCRIPTION OF MTW ACTIVITY

The current system of calculating utility allowances is a complex one in which HACSC uses three difference utility allowance schedules depending on the different structure types. Once structure type is categorized, unit size, unit type, and fuel type must then be discerned. Staff time to categorize and calculate correct utility allowances on top of re-verifying and re-calculating the allowances every time a change in family income or contract rent necessitates a change in HAP or family payment can result in errors. Additionally, utility allowances are reviewed annually and any change in costs 10% or higher require a revised allowance.

Under this activity, HACSC simplified the current system by creating one standard utility allowance per unit size. HACSC also changed the review schedule from annual to biennial.

STATUS OF THE ACTIVITY

In HACSC's FY2013 MTW Plan, the proposed rent reform MTW Activity would have incorporated utility allowances as part of a participant's Housing Assistance Payment (HAP), eliminating the need for this activity. Therefore, HACSC did not go forward with implementation in FY2012. After extensive engagement with community partners and stakeholders to discuss proposed broad based rent reform, HACSC recognized the need for further community engagement in order to design a rent reform strategy that will both meet MTW objectives and address local challenges. Consequently, HACSC withdrew its proposed rent reform activity.

HACSC will continue to research and analyze the impact of future rent reform proposed activities as it relates to this activity as well as an implementation schedule. Preliminary baselines and benchmarks were identified in the FY2012 Plan proposal for this activity. The measurement criteria will be revised to reflect more current baselines prior to implementation of the activity. No changes have been made to the MTW authorization for this activity.

Activity 2012-1: Create Standard Utility Allowance Schedule		
Metrics	**Baselines (FY2010)***	**Benchmarks (annual)**
Total Utility Allowance (UA) Provided for MTW Families	$1,373,024	$1,380,750
Total Labor Hours Spent Calculating UA’s	5,030	1,050
Direct Labor Cost to Calculate UA’s	$134,953	$28,159
Estimated % Errors in Utility Allowance Calculations	15%	1%
Number of Hardship Claim Requests	0	10

* HACSC expects to update this baseline to the UA paid for fiscal year 2012 prior to implementation of this activity.

Two-Year Occupancy in Project-Based Unit before Eligible to Receive Voucher (Activity #2012-2)

DESCRIPTION OF MTW ACTIVITY

This activity requires project-based participants to remain in their PBV unit for two years before becoming eligible to request continued assistance with a tenant-based voucher. The activity does not apply to families: (1) with an approved reasonable accommodation that requires them to move out of their PBV unit, (2) who experience a change in family composition that affects the size of the unit, or (3) who present a compelling reason to move out of the PBV unit.

The purpose of the activity is to enhance the occupancy stability in the PBV program, which will also result in reduced staff time spent processing PBV move-outs and vacancy outreach.

STATUS OF THE ACTIVITY

HACSC has been leased up at over 100% for the past few years, and the turnover rate for tenant-based vouchers has historically been low. Because no tenant-based rental assistance vouchers have been available for project-based participants who request tenant-based vouchers, HACSC did not implement this activity in FY2012. HACSC will re-visit this activity in the next fiscal year in order to determine the best timeline for implementation.

Once this activity is implemented, data related to this activity will be collected and retrieved at least annually from the Agency's new software database and HACSC may revise its metrics and further quantify and refine its performance baselines and benchmarks. No changes have been made to the MTW authorization for this activity.

Activity 2012-2: Two-Year Occupancy in Project-Based Unit before Eligible to Receive Voucher		
Metrics	**Baselines (FY2010)**	**Benchmarks**
% of PBV vacancies during a one-year period	11% (111)	9% (91)
Total labor hours spent processing moves with continued assistance for families living in their PBV unit less than 2 years	66	0
Owner costs associated with turning over vacant PBV units (for families living in their unit less than 2 years who move with continued assistance)	$7,975	$0

Number of applicants from the Housing Choice Voucher Waiting List who will receive a Section 8 MTW Voucher due to this activity†	0	20

† HACSC does not expect to have complete data for this metric for the first two years following implementation.

VI. ONGOING MTW ACTIVITIES (Implemented)

The following MTW activities were approved by HUD and were implemented by HACSC before, or during, FY2012:

Activity	Title
2009-1	Reduced Frequency of Tenant Reexaminations
2009-2	Simplification and Expediting of the Income Verification Process
2009-3	Reduced Frequency of Inspections
2009-4	Timeline to Correct HQS Deficiencies
2009-5	Exploring New Housing Opportunities for the Chronically Homeless
2009-8	30-Day Referral for Project-Based Vacancies
2009-9	Utilization of LIHTC Tenant Income Certification for Income and Asset Verification
2009-10	Selection of HACSC-owned Public Housing Projects for PBV without Competition
2009-11	Project-Base 100% of Units in Family Projects
2009-13	Combined Waiting Lists for the County of Santa Clara and the City of San Jose
2009-14	Payment Standard Changes Between Regular Reexaminations
2010-1	Eliminating 100% Excluded Income from the Income Calculation Process
2010-2	Excluding Asset Income from Income Calculations for Families with Assets Under $50,000
2010-3	Applying Current Increased Payment Standards at Interim Reexaminations
2010-4	Allocate Project Based Vouchers to HACSC-Owned Housing Projects without Competition
2010-5	Assisting Over-Income Families Residing at HACSC-Owned PBV Properties
2011-1	Streamlined Approval Process for Exception Payment Standard for Reasonable Accommodation
2011-2	Simplify Requirements Regarding Third-Party Inspections and Rent Services
2012-3	Affordable Housing Acquisition Development Fund
2012-4	Affordable Housing Preservation Fund for HACSC and Affiliate Owned Properties
2012-5	Expand Tenant Services at HACSC and Affiliated Owned Affordable Housing Properties

This section of the report briefly describes each activity and explains its implementation status and impacts to date.

[Note that Appendix Two of this report provides a summary table that lists each approved MTW Activity for the FY2012 reporting period and lists its implementation status and the MTW statutory objective(s) to which it relates.]

Reduced Frequency of Tenant Reexaminations (Activity #2009-1)

DESCRIPTION OF MTW ACTIVITY

The goal of this activity is to achieve greater cost effectiveness in federal expenditures by reducing the frequency of participant reexaminations in the voucher program. As a result of this activity, participants with a fixed income are reexamined every three years and participants with non-fixed income are reexamined biennially. In accordance with 24 CFR §5.233, as mandated by HUD, HACSC continues to use HUD's Enterprise Income Verification (EIV) system to detect billing or fraud issues.

IMPACT OF THE ACTIVITY

The labor hours saved as a result of this activity allows HACSC the opportunity to refocus staff time to improve the quality of service to clients, stakeholders and partners. Additionally, HACSC continually works to enhance and refine program efficiencies. In FY2012, in particular, the reduction in reexamination workload provided the additional time necessary for the Agency to focus on the conversion to a new housing software system, including intensive staff training on new business and software processes.

FY2012 RESULTS

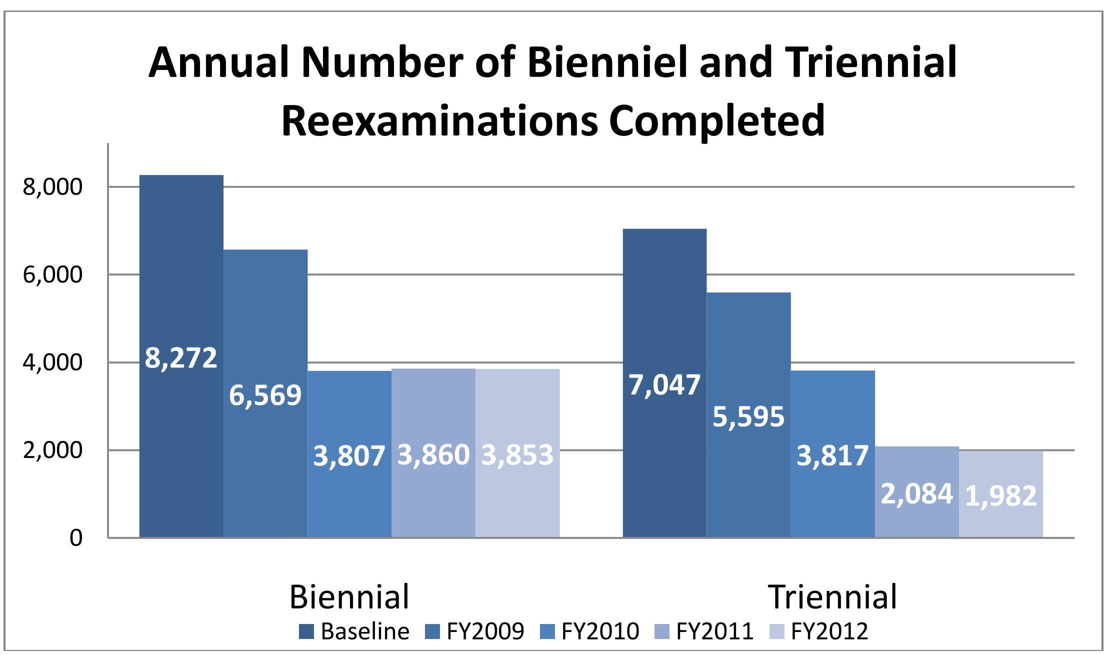
In FY2012, 5,835 biennial and triennial reexaminations were completed, which is lower than the benchmark of 6,462 total reexaminations and demonstrates a 62% reduction from the baseline year. FY2012 marks the first year that all participants have been incorporated into the new reexamination schedule and the numbers reflected are more refined because every participant is now either on a biennial or triennial schedule.

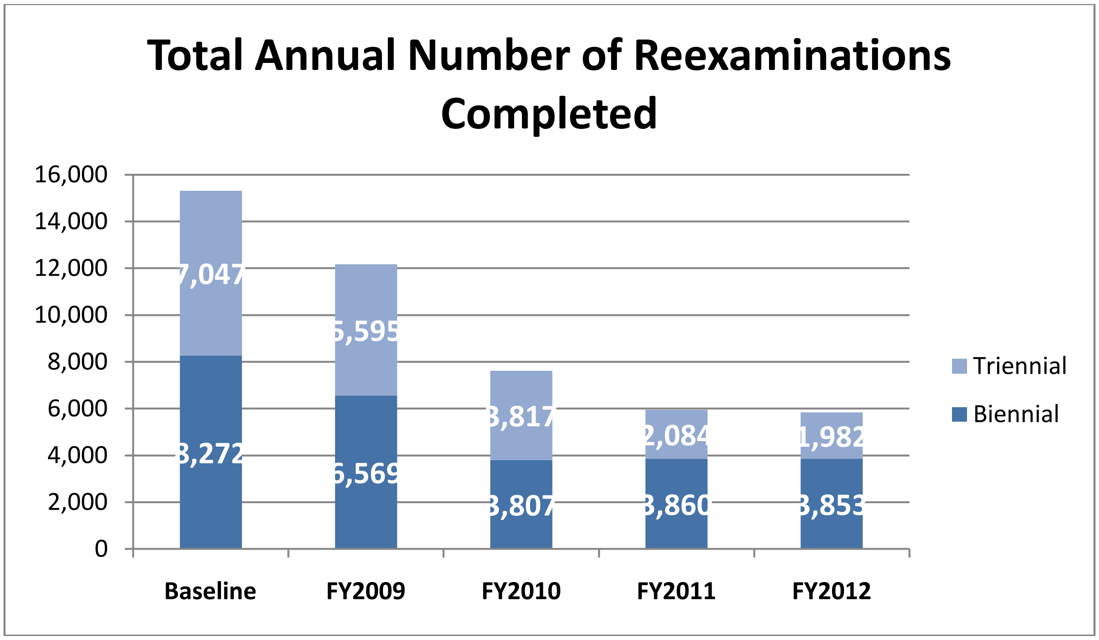
HACSC saw a potential labor savings of 37,592 hours as compared to the 61,930 labor hours it would have taken before this activity was implemented. The potential savings resulting from this reduction of workload is valued at approximately $922,536 in total labor cost savings when compared to the established baseline.

HACSC conducted 4,422 interim reexaminations (reexaminations due to family composition or income changes that take place between regularly scheduled reexaminations) in FY2012, which, although higher than the benchmark of 3,955, is approximately 14.5% lower than the previous year. Income changes of participant families are dynamic and continue to affect the number of interim reexaminations conducted. The high number of interims, as compared to the benchmark, may be attributed to a number of factors, such as reduction of CalWORKS and subsidized childcare in California, loss of employment benefits due to maximum allowable extensions, and economic instability which causes fluctuation in hours worked and employment status.

The rent calculation error rate for FY2012 is 6%, which is slightly higher than the benchmark and the rate from the previous year. The increase in rent calculation error rate is attributed to HACSC's implementation of the new software system and intensive staff training on the new business processes. HACSC strives to alleviate rent calculation errors and will continue to perform internal audits to correct any errors identified.

Activity 2009-1: Reduced Frequency of Participant Reexaminations						
Metrics	**Baselines (FY2008)**	**Benchmark**	**Actual (FY2009)**	**Actual (FY2010)**	**Actual (FY2011)**	**Actual (FY2012)**
Number of Biennial reexaminations completed	8,272	4,136	6,569	3,807	3,860	3,853
Number of Triennial reexaminations completed	7,047	2,326	5,595	3,817	2,084	1,982
Labor hours to conduct reexaminations	61,930	30,965	49,175	30,477	24,723	24,338
Labor dollars to conduct reexaminations	$1,537,097	$768,548	$1,220,526	$769,549	$613,649	$614,561
Material costs of conducting reexaminations	$103,412	$51,706	$82,115	$29,571	$23,034	$22,640
Rent calculation error rate (for biennials and triennials)	11%	5%	13%	10%	4.5%	6%
Number of interim reexaminations completed	3,768	3,955	3,813	4,853	5,173	4,422





REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

There are no revisions to benchmarks, metrics, and data collection for this activity.

AUTHORIZATION FOR APPROVED ACTIVITY

This activity is authorized in HACSC's MTW agreement, Attachment C, Paragraph D (1)(c) and waives certain provisions of Section (o)(5) of the 1937 Act, and 24 CFR 982.516 as necessary to implement HACSC's MTW Plan.

An MTW waiver was required for this activity because HUD regulations require annual reexaminations.

IMPACT OF RENT REFORM INITIATIVE

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

This activity promotes economic self-sufficiency and creates an incentive for families to seek and retain employment. HACSC's policy only requires families to report a change in the type of income; even if this change results in a higher rent calculation, HACSC will not apply the higher tenant rent to owner (TRO) payment until the next scheduled reexamination.

In FY2012, 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.

Expediting Initial Eligibility Income Verification Process (Activity #2009-2)

Formerly 'Simplification and Expediting of Income Verification Process'

DESCRIPTION OF MTW ACTIVITY

This activity originally proposed to simplify HUD's verification hierarchy and to extend the verification submission window for applicants from 60 days to 120 days. However, in FY2010, HUD issued PIH Notice 2010-19, which reduced the need for third-party verifications. As a result, HACSC discontinued this part of the activity but continued with the extension of the applicant documentation window from 60 to 120 days. In accordance with 24 CFR §5.233, as mandated by HUD, HACSC continues to use HUD's Enterprise Income Verification (EIV) system to detect billing or fraud issues.

IMPACT OF THE ACTIVITY

By extending the documentation timeframe, applicants do not need to repeatedly provide documentation if information becomes too old before voucher issuance. Also, this activity allowed HACSC to transfer residents affected by the public housing disposition to the Project Based Voucher program with no lapse in assistance.

FY2012 RESULTS

During FY2012, there was no need to use the 120-day document submission window as documents were processed within the regulatory 60 days. Because Tenant Income Certification (TIC) documentation was available for public housing residents transitioning to project-based housing and for the majority of HACSC's limited new admissions, HACSC did not need to use the extended documentation window. However, the Agency will keep the activity in place and review results for this activity in future years before making any decisions as to its continued viability.

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

There are no revisions to benchmarks, metrics, and data collection for this activity.

AUTHORIZATION FOR APPROVED ACTIVITY

This proposed activity is authorized in the HACSC Moving to Work Agreement, Attachment C, Paragraph D (3)(b) and waives certain provisions of CFR 982.516 and 982 Subpart E as necessary to implement HACSC's MTW Plan.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

Reduced Frequency of Inspections (Activity #2009-3)

DESCRIPTION OF MTW ACTIVITY

Under this activity, HACSC conducts biennial inspections of assisted units occupied by MTW families. HACSC created this activity because the staff time and administrative costs associated with the normally required annual inspections was excessive and disproportionate to the benefits, especially for those units that do not have a history of Housing Quality Standards (HQS) deficiencies. The Agency provides on-going HQS trainings to staff and informational workshops to participating owners to enhance their understanding of HQS in an ongoing effort to ensure program participants are living in safe, decent and sanitary housing. In implementing this activity and in ongoing communication with owners and participants, staff stresses that an inspection will be conducted on assisted properties if a property owner or participant request a special inspection.

IMPACT OF THE ACTIVITY

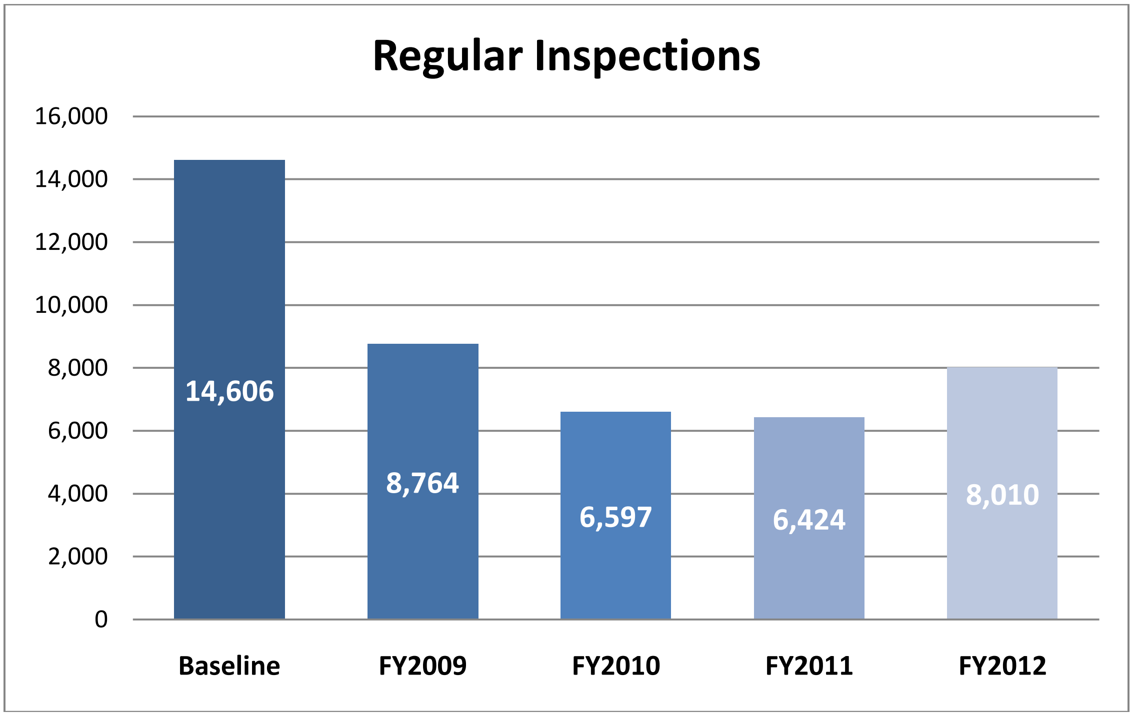
This activity was implemented in September 2008, and the stated objective of reducing federal expenditures continues to be realized as a direct result of reducing the number of inspections.

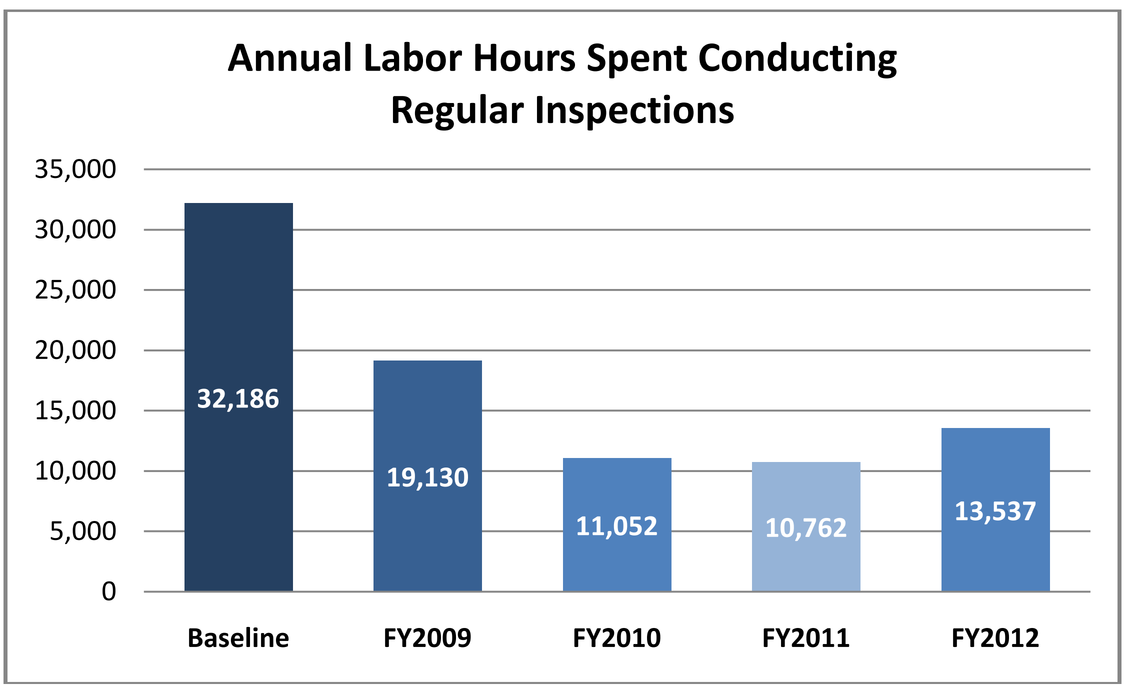
Activity 2009-3: Reduced Frequency of Inspections for Units Under Continued Occupancy						
Metrics	Baselines (FY2008)	Benchmarks	Actual (FY2009)	Actual (FY2010)	Actual (FY2011)	Actual (FY2012)
Total # of units that had regular inspections	14,606	7,303	8,764	6,597	6,424	8,010
Total labor hours spent conducting regular inspections	32,186	12,331	19,130	11,052	10,847	13,537
Direct labor cost to conduct regular inspections	$804,770	$308,867	$326,420	$282,218	$271,692	$363,198
Quality control audit error rate	19%	10%	N/A	N/A	17%	17%
Cost of postage	$12,853	$6,427	$7,712	$5,805	$5,653	$4,586

FY2012 RESULTS

During FY2012, 8,010 units had regularly scheduled inspections, an approximate 45% decrease in the number of inspections from the baseline year. 13,537 total labor hours were spent conducting these inspections, a 58% reduction in labor hours, and a 55% reduction in direct labor costs from the baseline.

This increase in the number of regularly scheduled inspections, as compared to FY2011, can be attributed to all of the assisted units being incorporated into the activity-driven inspection cycle. When combined with the number of units that had regular inspections in FY2011 (because this activity is on a 2-year cycle), the total number of regular inspections (14,434) is close to the baseline (14,606).





Through implementation of this activity, HACSC benefited from significant labor time and related costs savings, allowing staff the opportunity to cross-train and enhance their skills related to customer service and quality control. The reduction in inspections workload also provided the additional time necessary for the Agency to focus on the conversion to a new housing software system, including intensive staff training on new business and software processes.

During this reporting period, the Quality Control (QC) inspections error rate remained at 17%. The inspections audit error rate is due to HACSC's implementation of the new software system and intensive staff training on the new business processes. HACSC strives to reduce inspections errors and will continue to perform internal audits to correct any errors identified.

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

There are no revisions to benchmarks, metrics, and data collection for this activity.

AUTHORIZATION FOR APPROVED ACTIVITY

This activity is authorized in HACSC's Moving to Work Agreement, Attachment D, Paragraph C and waives certain provisions of Section 8 (o) of the 1937 Act and 24 CFR 982 & 985, as necessary to implement HACSC's MTW Plan.

An MTW waiver is necessary for this activity because HUD regulations require that the PHA must inspect the unit leased to a family at least annually during assisted tenancy.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

Timeline to Correct Housing Quality Standards (HQS) Deficiencies (Activity #2009-4)

DESCRIPTION OF MTW ACTIVITY

According to regulations, when a unit does not pass the regularly scheduled inspection, property owners and program participants are provided 30 days from the date of the inspection to make the necessary repairs to the unit. Implementation of this activity allows more time for Section 8 property owners and program participants to correct non-life-threatening Housing Quality Standards (HQS) deficiencies because the timeline to correct deficiencies is changed to 30 days from the date of the deficiency notification letter. HACSC expected that allowing additional days to the previous timeline of 30 days from the date of the inspection to correct the deficiencies would reduce both the number of abatements of owner's HAP and number of requests for extensions.

IMPACT OF THE ACTIVITY

This activity was fully implemented in FY2011. With this report, HACSC proposes to eliminate this activity. 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.

FY2012 RESULTS

HACSC continues to report on the significant labor and associated cost savings as a result of its policy change allowing owners and participants to self-certify correction of non-life threatening HQS deficiencies.

Results of Implementing Policy to Allow Self-Certification of Non-life-threatening Deficiencies						
Metrics	Baseline (FY2008)	Benchmark	Actual (FY2009)	Actual (FY2010)	Actual (FY2011)	Actual (FY2012)
Total labor hours spent conducting recheck inspections	11,473 hours for 5,255 recheck inspections	0	0	0	0	0
Direct labor cost spent conducting recheck inspections	$269,319	$0	$0	$0	$0	$0

Prior to implementation of the policy to accept an owner's self-certification of repairs for non-life-threatening HQS deficiencies, a re-inspection of the unit was conducted and related administrative costs (labor and gasoline) were significant. In FY2012, 2,937 units had non-life-threatening HQS deficiencies, which prior to this policy change would have required a re-inspection. In FY2012, 4,171 labor hours were saved by eliminating these inspections, which resulted in a direct labor savings of $165,044.

Activity 2009-4: Timeline to Correct HQS Deficiencies				
Metrics	**Baselines (FY2010)**	**Benchmarks**	**Actual (FY2011)**	**Actual (FY2012)**
Number of extension requests	49	44	37	40*
Number of abatements due to HQS deficiencies	85	76	84	56

*Due to HACSC's conversion to a new Section 8 software system mid-fiscal year, this number reflects extrapolated information from the first half of the fiscal year. HACSC's new voucher software is not able to capture this information moving forward—however, HACSC proposes to eliminate this activity.

The number of extension requests, 40, meets the benchmark of 44, and the number of abatements due to HQS deficiencies, 56, is well below the benchmark of 76. The decrease in extension requests and number of abatements may be attributed to owners' familiarity with, and use of, the self-certification process. Now that owners are able to correct non-life-threatening HQS deficiencies and to self-certify these corrections, there is less of a need to request extensions and to abate for HQS deficiencies.

HACSC proposes to eliminate this activity. Additionally, while HACSC will continue its self-certification policy, it proposes to no longer report in the results of the policy change.

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

If this activity is not eliminated, due to the software conversion, the metric related to the number of extensions requested may need to be changed, or eliminated in the future.

AUTHORIZATION FOR APPROVED ACTIVITY

This activity is authorized in HACSC's Moving to Work Agreement, Attachment C, Paragraph D (5) and waives certain provisions of Section 8 (o) of the 1937 Act and 24 CFR 982 Subpart I, as necessary to implement HACSC's MTW Plan. No changes have been made to the authorization.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

Explore New Housing Opportunities for the Chronically Homeless (Activity #2009-5)

DESCRIPTION OF MTW ACTIVITY

The Chronically Homeless Direct Referral (CHDR) program, launched in FY2011, is a locally-designed voucher referral program which serves the chronically homeless population in Santa Clara County. Working in partnership with the Collaborative on Housing and Homeless Issues (Collaborative) for over a year to design the program, HACSC ensures that chronically homeless families who receive vouchers are connected to supportive homeless programs and case management services. This activity allowed HACSC to set aside 200 vouchers for the CHDR program.

IMPACT OF THE ACTIVITY

The CHDR program increased housing choice by assisting the homeless population through a more targeted and efficient process than the waiting list system. Following a housing-first model, 21 local case management programs provide appropriate case management services to identified chronically homeless families who are not on the voucher waiting list. The program ensures that those referred are receiving case management, which can include assistance with the initial process of securing housing (completing the voucher application and eligibility process, finding a suitable unit, and obtaining money for security deposits) as well as various referrals and services to help families maintain housing stability and achieve reintegration into the community.

FY2012 RESULTS

Through the ongoing coordination of partner agencies, the 200 vouchers allocated to the CHDR program were fully utilized in FY2012, the first full year of the program. A total of 202 chronically homeless individuals found stable housing and since the beginning of the program, only 10 individuals (5%) have left the program. Eight of those 10 left the program in FY2012 (4%). As anticipated, due to case management assistance and supportive services received, participants in the CHDR program are less likely to leave the program and have a lower drop-out rate than the benchmark.

During the initial lease up of the CHDR program, the average number of days from referral of a chronically homeless applicant to voucher issuance was 31 days and the number of days from issuance of a CHDR voucher to lease up was 48 days. In FY2012, there was a significant decrease in the average number of days from referral to voucher issuance—19 days, which is well below the benchmark. This decrease may be attributed to the expertise of both HACSC staff and its partner case management programs with the referral process and procedures of the CHDR program after a full year of implementation. Conversely, the average number of days from voucher issuance to lease up was significantly higher than the previous year as well as the benchmark of 54 days. In FY2012, it took an average of 75 days for a participant to move into a housing unit from the date of voucher issuance. This increase may be attributed to a few possible reasons, from the unique needs of the population served to the tightening rental market. Additionally, looking further into specific participants who came onto the program in FY2012, there were four participants who spent more than 100 days to lease up their voucher. Removing these four participants (of the 14 that came onto the program in the last year), the average becomes 51 days, which is more in line with the baseline/benchmark.

Given the ongoing need to address this population effectively, HACSC has engaged a third party consultant to study the results of the program, with a focus on case management aspects. This case management evaluation is underway and HACSC expects to be able to report on the results in FY2013.

Activity 2009-5: Explore New Housing Opportunities for the Chronically Homeless				
Metrics	**Baseline (FY2010)**	**Benchmark**	**Actual (FY2011)**	**Actual (FY2012)**
# of days from receipt of application to voucher issuance	31	31	31	19
# of days from voucher issuance to lease up	54	54	48	75
% of participants who-lose their assistance per year	9%	5%	No data available	4%
# of participants who lose their assistance per year	18 (of 200)	10 (of 200)	No data available	8 (of 200)

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

There are no revisions to benchmarks, metrics, and data collection for this activity.

AUTHORIZATION FOR APPROVED ACTIVITY

This activity is authorized in HACSC's Moving to Work Agreement, Attachment C, Paragraph D (4) and waives certain provisions of Sections 8(o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act and 24 CFR 982 Subpart E, 982.204 and 98.3 Subpart F as necessary to implement HACSC's MTW Plan.

An MTW waiver is necessary for this activity because HUD regulations require that applicants be admitted to the Section 8 program either as a special admission (as identified in 24 CFR 982.203) or from the Housing Authority's waiting list.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

30-Day Referral Process for Project-Based Vacancies (Activity #2009-8)

DESCRIPTION OF MTW ACTIVITY

Certain types of project-based voucher units, such as single room occupancy (SRO) units, are difficult to fill and often require contacting hundreds of applicants from the PHA waiting list before enough interested applicants are found to refer to the PBV owner for selection. This activity allows owners to directly refer applicants after 30 days of unsuccessful attempts to fill the unit using referrals from the HACSC waiting list.

IMPACT OF THE ACTIVITY

By filling PBV vacancies in a timely manner, this activity has resulted in reduced vacancy periods for PBV owners, improved owner satisfaction, a more stable owner pool, and increased housing choices for low-income families.

FY2012 RESULTS

Currently, HACSC has 1,256 vouchers under PBV contract, including 188 units awarded as part of an RFP and 56 units resulting from HACSC's ongoing demolition/disposition process, for a total of 244 PBV units that were added to the PBV inventory during FY2012. Allowing a 30-day referral process for PBV vacancies shortened the amount of time for PBV vacancies and better matched PBV owners with eligible tenants.

PBV vacancy statistics for FY2012 showed the following:

- The average number of vacant days decreased by 23 days from the baseline and is 12 days below the benchmark of 65 days.
- HACSC compensation to PBV owners for lost rent decreased by $16,195 due to the lower number of vacancies reported.

Activity 2009-8: 30-Day Referral Process for Project-Based Vacancies					
Metrics	**Baseline (FY2009)**	**Benchmarks**	**Actual (FY2010)**	**Actual (FY2011)**	**Actual (FY2012)**
Average number of days unit was vacant	76 days	65 days	69 days	31 days	53 days
HACSC compensation to owners* (due to vacancies)	$45,289	$38,496	$33,586	$41,555	$29,130
Dollar amount owners lost (due to vacancies)**	$110,749	$94,137	$64,663	$32,121	$55,455

*PBV owners received 80% of the contract rent for the first 30 days of vacancy

**PBV owners lose 100% of the contract rent after 30 days of vacancy

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

There are no revisions to benchmarks, metrics, and data collection for this activity.

AUTHORIZATION FOR APPROVED ACTIVITY

This activity is authorized in HACSC's Moving to Work Agreement, Attachment C, Paragraph D4 and D7, and waives certain provisions of Section 8(o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act and 24 CFR 982 Subpart E, 982.305 and 983 Subpart F as necessary to implement HACSC's MTW Plan.

An MTW waiver is necessary for this activity because HUD regulations require PHAs to provide project based assistance to families selected from its waiting list.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

Utilization of Low Income Housing Tax Credit (LIHTC) Tenant Income Certification (TIC) for Income and Asset Verification (Activity #2009-9)

DESCRIPTION OF MTW ACTIVITY

Property owners of project-based units that utilize tax credits comply with Federal LIHTC regulations to certify a prospective resident's income eligibility. Income verification regulations governing LIHTC properties are very similar to the income verification regulations that HACSC adheres to, resulting in duplicative efforts and inconveniencing program participants who must provide documentation twice. This MTW activity avoids this duplication by allowing HACSC to use the Tenant Income Certification (TIC) form required under the LIHTC Program as verification of the family's income and assets. In accordance with 24 CFR §5.233, as mandated by HUD, HACSC continues to use HUD's Enterprise Income Verification (EIV) system to detect billing or fraud issues.

IMPACT OF THE ACTIVITY

This activity was first implemented in November 2009 (FY2010) and fully implemented in FY2011. As of the end of FY2012, 170 applications for PBV tax credit units were received for processing. HACSC staff used the TIC documentation and saved 50 minutes of staff time on processing for each of the new admissions (transactions). As required, HACSC uses the owner-provided TIC, to process applications in a significantly reduced amount of time thereby preventing displacement of in-place tenants. Staff labor time reduction of 22% is directly related to implementation of this activity allowing HACSC to utilize an owner-provided TIC for each transaction. The Agency continues to use the time savings to improve program quality control and staff training.

Additionally, there has been a reduction in the amount of time to house applicants attributable to this activity. The length of time to process an application was reduced from an average of 46 days to an average of 31 days, thereby lowering the number of vacant PBV tax-credit units. It is also of note that this activity affords HACSC the opportunity to reduce its administrative burden and achieve greater cost effectiveness in federal spending, which is one of the on-going objectives of the MTW program.

Activity 2009-9: Utilization of LIHTC TIC for Income and Asset Verification					
Metrics	**Baselines (FY2009)**	**Benchmarks**	**Actual (FY2010)**	**Actual (FY2011)**	**Actual (FY2012)**
Average # of labor hours it takes to process one PBV transaction	3 hours, 50 minutes	3 hours (a 50 minute reduction per transaction)	3 hours	3 hours	3 Hours
Labor cost to process one PBV transaction	$87.52	$68.33	$68.33	$68.33	$68.33
PBV tax-credit new admissions processing time	46 days	30 days	31 days	31 days	31 days

FY2012 Results

HACSC and its clients continue to enjoy on-going relief from a costly and duplicative process. Below is a summary of the results:

- 170 PBV tax-credit new admissions completed under the new process in FY2012
- 50 minutes saved from each PBV tax-credit new admission process completed
- 142 labor hours saved in the new admissions process
- $3,262 saved in direct labor cost in FY2012
- Time cycle to complete a new admissions application reduced from 46 to 31 days

The Agency has saved 315 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 $7,925. As is the case year-after-year, the number of PBV applicant families filling units that are also LIHTC properties during any fiscal year may vary, and consequently, the amount of savings will vary each year.

Activity 2009-9 Aggregate Savings				
Metrics	**FY2010**	**FY2011**	**FY2012**	**Totals**
# of tax-credit new admissions completed using owner-provided TIC	199	77	170	446
# of labor hours saved	166	64	142	372
Labor dollars saved	$3,185	$1,478	$3,262	$7,925

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

There are no revisions to benchmarks, metrics, and data collection for this activity.

AUTHORIZATION FOR APPROVED ACTIVITY

This activity is authorized in HACSC's Moving to Work Agreement, Attachment C, Paragraph D3 (b) and waives certain provisions of 24 CFR 982.516 and 982 Subpart E as necessary to implement HACSC's MTW Plan.

An MTW waiver is necessary for this activity because HUD regulations require that PHA's must obtain and document in the file third party verification of reported family income, value of assets, expenses related to deductions from annual income, and other factors that affect the determination of adjusted income.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

Selection of HACSC-Owned Public Housing Projects for PBV Without Competition (Activity #2009-10)

DESCRIPTION OF MTW ACTIVITY

HACSC may select HACSC-owned public housing projects for project-based voucher assistance without a competitive process. This activity saves both staff time through labor hours and increased costs through labor dollars that would be associated with a competitive process. Additionally, this activity allows for an efficient means of preserving these units as affordable housing and meets the MTW objective of increasing housing choices for low-income families.

IMPACT OF THE ACTIVITY

This activity allowed HACSC to avoid the lengthy competitive PBV process for HACSC-owned properties, saving staff time and costs as well as advertising costs. The time savings also significantly shortened the disposition conversion schedule.

FY2012 RESULTS

HACSC-owned public housing projects were selected for Project-Based Vouchers without competition in 2009 and the full results of this activity were reported on in the FY2009 MTW Report. Through the means of this activity, HACSC avoided the direct costs and staff time associated with the RFP and selection process normally required for a competitive PBV process by approximately 3 months.

As each of the former public housing properties were renovated and reoccupied as tax credit properties, contracts for the Project Based Vouchers have been put into place. The disposition of the final remaining three properties, and their conversion to PBV units, is currently in progress and is anticipated to be completed in FY2013. Once these projects convert to PBV, this activity will be eliminated and no further reporting will be required.

Activity 2009-10: Selection of HACSC-Owned Housing Projects for PBV Without Competition			
Metrics	**Baselines (FY2008)**	**Benchmarks**	**Results* (FY2009)**
Processing time to select applications for PBV in a competitive process	13 weeks	0 weeks	0 Weeks
Labor hours/cost to develop, write and issue an RFP (using in-house labor)	65 hours/$2,340	0 hours/$0	0 hours/$0
Labor hours/cost to respond to public inquiries and meet with RFP responders	35 hours/$1,260	0 hours/$0	0 hours/$0
Labor hours/cost to review and process applications submitted	50 hours/$1,800	0 hours/$0	0 hours/$0
Cost to publish RFP in San Jose Mercury Newspaper	$2,890	$0	$0
Labors hours to write public notices	8 hours/$288	0 hours/$0	0 Hours/$0

*This activity was fully implemented in FY2009.

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

There are no revisions to benchmarks, metrics, and data collection for this activity.

AUTHORIZATION FOR APPROVED ACTIVITY

This 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.

An MTW waiver is necessary for this activity because HUD PBV regulations require that PHA-owned properties be selected competitively and that selection must be approved by HUD or a HUD-approved independent entity.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

Project-Base 100% of Units in Family Projects (Activity #2009-11)

DESCRIPTION OF MTW ACTIVITY

Project-based voucher regulations place a 25% cap on project-based units per multi-family building in complexes serving families. However, if an owner provides supportive services (such as employment training and daycare), and *requires* families living in units above the 25% cap to participate in those services, the regulations allow for an exception to the 25% cap.

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

IMPACT OF THE ACTIVITY

In FY2011, HACSC project-based 100% of the units at three existing former public housing family projects—Miramar Way, Julian Gardens and Lucretia Gardens.

This activity has resulted in savings of staff labor hours and labor dollars. By eliminating quarterly compliance reviews to ensure that families were using supportive services (and the processing of resultant non-compliant terminations), as required by project-based regulations, staff was able to save approximately one hour per year per unit.

Supportive services at Miramar Way, Julian Gardens, and Lucretia Gardens continue to be provided by Lifesteps, a non-profit organization that offers comprehensive services such as after school programs, educational classes, one-on-one counseling, assistance with daily living, crisis intervention, and social activities.

Eklund 1 Apartments (10 units) is the only remaining multi-family project left to be 100% project-based and is one of the three public housing properties pending HUD approval for disposition (Eklund II and Deborah Way Apartments do not qualify as multifamily buildings and therefore, are not subject to the 25% per project-based regulations).

FY2012 RESULTS

HACSC first project-based 100% of the units in three family projects (Miramar Way, Julian Gardens, and Lucretia Gardens), and began to offer a full range of supportive services through

Lifesteps, in FY2011. These three properties converted to ownership under a HACSC-owned affiliate, entered into PBV contracts in November 2010, and were completely occupied in FY2012. Due to the public housing disposition process, supportive services were not available on-site throughout all of FY2012. However, despite the lessened availability, Lifesteps reports that at least 28 of 39 households utilized the range of services provided over the initial 9-12 month period. Although HACSC estimated that approximately 25% of families at the properties would use the offered supportive services, in actuality, 72% of families took advantage of the services.

Activity 2009-11: Project Base 100% of Units in Family Projects			
Metrics	**Baselines**	**Benchmarks**	**FY2012 (Actual)**
# of units project-based without a supportive service requirement	13	49	39*
Families participating in supportive services	36†	12‡	28
Direct labor hours associated with tasks required to insure 100% compliance with supportive service requirement (estimate based on the number of family units affected)	40	0	0
Direct labor costs associated with tasks required to insure 100% compliance with supportive service requirement (estimate based on the number of family units affected)	$1,052	$0	$0

* Eklund I, a 10 unit project, did not enter PBV contract this year.
†This number is based on the assumption that if 100% of the units in these family projects are project-based, all families in the "excepted" units (the remaining 75% of the units) would be required to participate in supportive services.
‡ HACSC anticipates that 25% of the residents in the family projects will use the optional supportive services.

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

There are no revisions to benchmarks, metrics, and data collection for this activity.

AUTHORIZATION FOR APPROVED ACTIVITY

This activity is authorized in HACSC's Moving To Work Agreement, Attachment C, Paragraph D 7, and waives certain provisions of 24 CFR 982.516 and 982 Subpart E and 983, as necessary to implement HACSC's MTW Plan.

An MTW waiver is necessary for this activity because HUD PBV regulations require a 25% per project cap on the number of PBV units at each project unless the units that exceed the 25% are for elderly or disabled families or families required to receive supportive services.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

Combined Waiting List for the County of Santa Clara and the City of San Jose (Activity #2009-13)

DESCRIPTION OF MTW ACTIVITY

HACSC uses one Annual Plan and Administrative Plan for both the Housing Authority of the County of Santa Clara and the Housing Authority of the City of San Jose. HACSC submits a combined MTW plan for both housing authorities.

A 2009 HUD directive interpreted HUD regulation 24 CFR 982.404(f) to mean that two or more housing authorities operating together must maintain separate waiting lists for each entity. HUD approval of Activity 2009-13 allowed HACSC to continue to operate one combined waiting list for both housing authorities and for the Housing Choice Voucher (HCV) Program and the Project-Based Voucher (PBV) Program.

IMPACT OF THE ACTIVITY

This activity meets the statutory objective of decreasing costs and increasing cost effectiveness in housing programs operations, thereby reducing federal expenditures. This activity also increases housing choices for low-income families. By registering on two separate waiting lists, applicant families would face additional restrictions in where they could rent in the county depending on which waiting list they are selected from.

2009-13: Combined Waiting Lists for the County of Santa Clara and the City of San José						
Metrics	**Baseline (FY2008)**	**Benchmark**	**Actual (FY2009)**	**Actual (FY2010)**	**Actual (FY2011)**	**Actual (FY2012)**
Direct labor hours/cost associated with tasks required to maintain separate waiting lists	380 hours / $8,325	380 hours / $8,325 savings	380 hours / $8,479 savings	380 hours / $8,479 savings	380 hours / $8,479 savings	380 hours/ $8,479

FY2012 RESULTS

As indicated in the table above, the value of the labor time saved under this activity in FY2012 remains unchanged. However, due to this activity the labor time related to administering two waiting lists would reinstate an administrative cost burden at a minimum of $8,479 annually.

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

There are no revisions to benchmarks, metrics, and data collection for this activity.

AUTHORIZATION FOR APPROVED ACTIVITY

This proposed activity is authorized in the HACSC Moving to Work Agreement, Attachment C, Paragraph D (4) and waives certain provisions of Section 8(o)(6), 8(o)(13)(J) and 8(o) (16) of the 1937 Act, and 24 CFR 982 Subpart E, 982.305 and 983 Subpart F as necessary to implement the HACSC MTW Plan.

An MTW waiver is necessary for this activity because HUD regulations require that each PHA must maintain separate waiting lists.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

Payment Standard Changes Between Regular Reexaminations (Activity #2009-14)

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 used when the family moves or at the first regularly scheduled reexamination following the change, whichever comes first. Because of the decrease in frequency of reexaminations for HACSC's MTW families, a program participant who reports a family composition change that decreases their voucher size between regular reexaminations may be over-housed and cause the Housing Authority to pay a higher portion of Housing Assistance Payment (HAP) for a longer period of time. Conversely, increases in the family's voucher size may cause a family to pay a higher portion of rent than is necessary for a longer period of time.

With the implementation of this activity, voucher size changes that result from a family composition change that occur between regular reexaminations will be effective immediately. The Housing Authority 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.

IMPACT OF THE ACTIVITY

This activity was first implemented in April, 2010 and has been fully implemented since FY2011. In creating this activity, HACSC anticipated that HAP costs would be saved by using the new payment standard at the interim calculation instead of at the next reexamination. During FY2012, there were 283 family composition changes reported that resulted in interim reexaminations using a new family voucher size. Over time (from the date of the interim reexamination until the family's next regular reexamination), these changes could result in a net HAP savings of over $500,000. Other factors affect HAP costs and therefore HACSC may not realize the entire savings projected. Based on the initial data as outlined below, this activity meets the MTW objective of reducing federal expenditures.

FY2012 RESULTS

HACSC processed 283 interim reexaminations for changes in family composition/voucher size in FY2012—131 families had decreases in voucher size and 152 families had increases in voucher size.

Of the 283 families that had a voucher size change, 131 had a new lower payment standard which resulted in a decrease in HAP payment. The net HAP savings due to applying the lower voucher size payment standard is $214,569 in FY2012.

Activity 2009-14: Payment Standard Changes Between Regular Reexaminations				
Metric	**Baseline (FY2010)**	**Benchmark**	**Actual (FY2011)**	**Actual (FY2012)**
Net annual decrease in HAP costs	$0	$115,000	$109,002	$214,569

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

There are no revisions to benchmarks, metrics, and data collection for this activity.

AUTHORIZATION FOR APPROVED ACTIVITY

This activity is authorized in HACSC's Moving to Work Agreement, Attachment D, Paragraph D (1) (c) and waives certain provisions of Section 8 (o) (5) of the 1937 Act, and 24 CFR 982.505 (5) as necessary to implement the HACSC MTW Plan.

An MTW waiver is necessary for this activity because HUD regulations require that Payment Standard changes that occur during the HAP contract term will be effective at the time of time of regular reexamination.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

Eliminating 100% Excluded Income from the Income Calculation Process (Activity #2010-1)

DESCRIPTION OF MTW ACTIVITY

To simplify the rent calculation process and achieve greater cost effectiveness in federal expenditures, HACSC has eliminated the requirement to verify, count, and report income that HUD specifies as 100% excluded from the income calculation process. Examples of 100% excluded income are food stamps, income from minors, lump sum additions to family assets, and foster care payments. HUD regulation requires that all family income, including those that are excluded from the rental assistance calculation process, is reported through the form 50058. Given the numerous sources of 100% excludable income, the cost and time related to verification of calculation of excluded income on the 50058 is significant and causes unnecessary administrative and financial burdens to the Agency. In accordance with 24 CFR §5.233, as mandated by HUD, HACSC continues to use HUD's Enterprise Income Verification (EIV) system to detect billing or fraud issues.

IMPACT OF THE ACTIVITY

During FY2012, the Housing Authority processed an estimated 3,238 new admissions and reexaminations (transactions) for families who reported one or more forms of 100% excluded income. Staff saved approximately 34 minutes per transaction by no longer identifying, verifying and calculating 100% excluded income. This resulted in a total of 1,835 labor hours saved in FY2012 in completing these calculations.

The reduction in staff time achieved through this activity has increased staff productivity in other areas and has met the MTW statutory goal of increasing cost effectiveness. Staff time saved from this activity has been redirected to cross training in other positions and processes, increased customer service, increased quality control functions and other special projects including updating the Section 8 waiting list and verifying data needed to complete the agency's software conversion.

Activity 2010-1: Eliminating Excluded Income from the Income Calculation Process

Metric	Baseline (FY2010)	Benchmark	Actual (FY2012)
Average # of labor hours it takes to process <u>one</u> transaction	3 hours, 50 minutes	3 hours, 16 minutes (a 34 minute reduction per transaction)	3 hours, 16 minutes
Labor cost to process <u>one</u> transaction	$87.52	$72.83	$72.83

FY2012 RESULTS

This activity will continue to benefit HACSC by providing relief from an administrative process that was costly to the Agency and provided no benefit to the family. Below is a summary of the results:

- 3,238 MTW families with at least one source of excluded income had income calculations completed in FY2012.
- Staff spent 10,577 labor hours processing new admissions or reexaminations for families who reported one or more sources of excluded income.
- 1,835 labor hours were saved by not verifying and calculating this income.
- $47,566 in direct labor costs were saved in FY2012.

The Agency has saved 3,774 total labor hours since this activity's implementation by eliminating the verification and calculation of income that is not included in the rent calculation. The number of families reporting income sources that are 100% excluded from the calculation process vary from year to year, which reflects the varying savings.

Activity 2010-1 Aggregate Savings				
Metrics	**FY2010**	**FY2011**	**FY2012**	**Totals**
# of transactions completed for families reporting excluded income	668	2,753	3,238	6,659
# of labor hours saved	379	1,560	1,835	3,774
Labor dollars saved	$9,813	$40,442	$47,566	$97,821

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

There are no revisions to benchmarks, metrics, and data collection for this activity.

AUTHORIZATION FOR APPROVED ACTIVITY

This 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 HACSC's MTW Plan.

An MTW waiver is necessary for this activity because HUD regulations require that PHA's must obtain and document in the file verification of reported family income.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

Excluding Asset Income from Income Calculations for Families with Assets Under $50,000
(Activity #2010-2)

DESCRIPTION OF MTW ACTIVITY

With this activity, HACSC will not calculate and include income received from family assets under $50,000. Few applicants or participants have assets in amounts that substantially affect their total income, yet the time required to calculate the income earned from assets is often significant. Before beginning this activity, the Housing Authority conducted an analysis of MTW families with assets under $50,000. The average annual asset income for these families was $21, which, when included in the rent calculation process, does not affect the amount of Housing Assistance Payment paid. Therefore, HACSC has eliminated the step of calculating and including income received from family assets under $50,000. In accordance with 24 CFR §5.233, as mandated by HUD, HACSC continues to use HUD's Enterprise Income Verification (EIV) system to detect billing or fraud issues.

IMPACT OF THE ACTIVITY

This activity has been in place since its implementation in FY2010 and addresses the statutory objective of reducing administrative costs and may provide a benefit to the families by encouraging savings. During FY2012, the Housing Authority processed 6,164 new admissions and reexaminations (transactions) for families who reported total family assets under $50,000. Staff saved approximately 10 minutes per transaction by no longer calculating asset income for these families, resulting in a savings of 1,027 labor hours. The reduction in staff time needed for this activity has increased staff productivity in other areas and has met the MTW statutory goal of increasing cost effectiveness. Staff time has been redirected to cross training in other positions and processes, increased customer service, increased quality control functions and other special projects including updating the Section 8 waiting list and verifying data needed to complete the agency's software conversion.

Activity 2010-2: Excluding Asset from Income Calculations for Families with Assets under $50,000			
Metrics	**Baselines (FY2010)**	**Benchmarks**	**Actual (FY2012)**
Average # of labor hours it takes to process one transaction	3 hours, 50 minutes	3 hours, 40 minutes (a 10 minute reduction per transaction)	3 hours, 40 minutes
Labor cost it takes to process one transaction	$87.52	$74.92	$74.92

FY2012 RESULTS

This activity will benefit HACSC by providing on-going relief from a process that yielded little benefit. Below is a summary of the results:

- 6,164 MTW families with assets under $50,000 had income calculations completed in FY2012.
- Staff spent 22,601 labor hours processing new admissions or reexaminations for families who reported family assets under $50,000.
- 1,027 labor hours were saved by not calculating this income.
- $77,666 in direct labor costs were saved in FY2012.

The Agency has saved a total of 2,154 labor hours since this 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.

Activity 2010-2 Aggregate Savings				
Metrics	**FY2010**	**FY2011**	**FY2012**	**Totals**
# of transactions completed for families reporting assets under $50,000	1,451	5,308	6,164	12,923
# of Labor Hours Saved	242	885	1,027	2,154
Labor Cost Saved	$18,283	$66,881	$77,666	$162,830

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

There are no revisions to benchmarks, metrics, and data collection for this activity.

AUTHORIZATION FOR APPROVED ACTIVITY

This proposed activity is authorized in the HACSC Moving to Work Agreement, Attachment C, Paragraph D (1)(c) and Attachment D, 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 Subpart E, as necessary to implement the Agency's Annual MTW Plan.

An MTW waiver is necessary for this activity because HUD regulations require PHA to calculate income from family assets in excess of $5,000.

IMPACT OF RENT REFORM INITIATIVE

This activity qualifies as a Rent Reform Initiative as defined by HUD because it changes the way rent is calculated for a Section 8 participant by modifying the types of income that are included in rent calculations.

Under this provision, HACSC only verifies and calculates asset income if a family's assets total $50,000 or more. Staff anticipated that this activity would benefit families who qualify for it by allowing them to retain the rent portion of asset income if family assets are under $50,000. This activity may promote economic self-sufficiency by encouraging family savings.

HACSC allows administrative flexibility to handle hardship cases on a case by case basis should this activity ever adversely affect a family.

Apply Current Increased Payment Standards at Interim Reexaminations (Activity #2010-3)

DESCRIPTION OF MTW ACTIVITY

This MTW activity was proposed to allow 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. Because lowering a payment standard typically results in a higher rent portion for the assisted family, if the payment standard decreased since the family's last reexamination, 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).

IMPACT OF THE ACTIVITY

This activity was first implemented in February, 2010, and fully implemented during FY2011 and FY2012. The Agency anticipated that by using a higher payment standard at interim reexaminations, this activity would lessen rent burden for some MTW families and thereby increase 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. For the purposes of this activity, the Housing Authority defines a family with rent burden as a family paying more than 30% of their monthly adjusted income towards the rent. Results so far have supported this activity—the number of families with rent burden who then moved has significantly dropped since this activity's implementation.

FY2012 Results

HACSC has not changed the payment standard amount since March 2011. Therefore, this activity was not used in FY2012. Should there be any changes to the current payment standard, HACSC will track and report on this activity.

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

There are no revisions to benchmarks, metrics, and data collection for this activity.

AUTHORIZATION FOR APPROVED 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) (1-3), 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.

This waiver was necessary to implement this MTW activity because regular HUD regulations require any changes in payment standard be applied at the client's next regularly-scheduled reexamination.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

Allocating Project-Based Vouchers to HACSC-Owned Projects Without Competition (Activity #2010-4)

DESCRIPTION OF MTW ACTIVITY

This activity allows HACSC to select HACSC-owned non-public housing sites for project-based assistance without a competitive process. This activity saves both staff time through labor hours and increased costs through labor dollars that would be associated with a competitive process. By avoiding the competitive process for its own properties, HACSC is able to cost-effectively and efficiently project base its units to ensure their ongoing availability while meeting the MTW objective of increasing housing choices for low-income families.

IMPACT OF THE ACTIVITY

This activity allowed HACSC to avoid the lengthy competitive PBV process for HACSC-owned properties, saving 158 hours of staff time and $8,578 in potential costs.

FY2012 RESULTS

In FY2012, three Project Based Vouchers were allocated to a HACSC owned property that provides affordable housing to senior tenants at Seifert House. By using this activity, HACSC was able to avoid the three month processing time to select applications for the PBV competitive process. Since the number of units project-based in this case was small (3 units), having to go through the PBV competitive process would have presented an administrative burden.

Activity 2010-4: Allocate Project Based Vouchers to HACSC-Owned Housing Projects Without Competition			
Metrics	**Baselines (FY2010)**	**Benchmarks**	**Results (FY2012)**
Processing time to select applications for PBV in a competitive process	13 weeks	0 weeks	0 weeks
Labor hours/cost to develop, write and issue an RFP (using in-house labor)	65 hours/$2,340	0 hours/$0	0 hours/$0
Labor hours/cost to respond to public inquiries and meet with RFP responders	35 hours/$1,260	0 hours/$0	0 hours/$0
Labor hours/cost to review and process applications submitted	50 hours/$1,800	0 hours/$0	0 hours/$0
Cost to publish RFP in San Jose Mercury Newspaper	$2,890	$0	$0
Labors hours to write public notices	8 hours/$288	0 hours/$0	0 hours/$0

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

There are no revisions to benchmarks, metrics, and data collection for this activity.

AUTHORIZATION FOR APPROVED ACTIVITY

This 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.

An MTW waiver is necessary for this activity because HUD PBV regulations require that PHA-owned properties be selected competitively and that selection must be approved by HUD or a HUD-approved independent entity.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

Assisting Over-Income Families Residing at HACSC-Owned PBV Properties (Activity #2010-5)

DESCRIPTION OF MTW ACTIVITY

This activity waives PBV regulations relating to preference for in-place families in order to continue to commit tax-exempt bonds and tax credits to the disposed public housing properties. Families with income below the PBV limit but above the tax-credit limit will receive Section 8 voucher and relocation assistance.

IMPACT OF THE ACTIVITY

This activity helps maintain the affordability of units that would otherwise become unaffordable to very-low income families by applying tax credits in unison with PBV assistance. HACSC is also increasing housing choices for low income families by preserving and improving the affordable housing stock in Santa Clara County.

FY2012 RESULTS

This activity was not used in FY2012.

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

There are no revisions to benchmarks, metrics, and data collection for this activity.

AUTHORIZATION FOR APPROVED ACTIVITY

This 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.

An MTW waiver is necessary for this activity because HUD PBV regulations require that families currently living in the unit which become project based must meet specific income limits that are higher than tax-credit limits.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

Streamlined Approval Process for Exception Payment Standard for Reasonable Accommodation (Activity #2011-1)

DESCRIPTION OF MTW ACTIVITY

In this activity, HACSC approves, as a reasonable accommodation, an exception payment standard of the published FMRs for an assisted individual when such accommodation is needed to provide an equal opportunity to secure housing. Without this activity, any request for an exception Payment Standard above 110% of the published FMRs had to go to HUD for approval.

The additional turnaround time for HUD to review and respond to the reasonable accommodation request may jeopardize the tenant's securing an accessible unit.

IMPACT OF THE ACTIVITY

With the capability to approve an exception payment standard as a reasonable accommodation without HUD approval, HACSC can improve its responsiveness to the needs of persons with disabilities who may have special housing requirements. This activity will also increase housing choices for families with members with disabilities because it removes the unpredictability of the HUD approval process.

FY2012 RESULTS

This activity was implemented in the third quarter of FY2011. Due to limited requests for an exception payment standard, HACSC used this authorization only once in FY2012, taking 11 days to approve the exception payment standard as a reasonable accommodation for this case.

Activity 2011-1: Streamlined Approval Process for Exception Payment Standard for Reasonable Accommodation				
Metric	**Baseline**	**Benchmark**	**Actual (FY2011)**	**Actual (FY2012)**
# of days to approve or deny an exception payment standard for reasonable accommodation	65	10	15	11

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

There have been no revisions to the baselines, benchmarks or metrics related to this activity.

AUTHORIZATION FOR APPROVED ACTIVITY

This activity is authorized in HACSC's Moving To Work Agreement, Attachment C, Paragraph D 2(a) and waives certain provisions of section 8 (o) of the 1937 Act and 24 CFR 982.505 (d) and 24 CFR 982.503 (c)(2)(ii), as necessary to implement HACSC's MTW Plan.

An MTW waiver is necessary for this activity because HUD regulations require that exception payment standards above 120% of FMR must be approved by HUD.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

Simplify Requirements Regarding Third-party Inspections and Rent Services (Activity #2011-2)

DESCRIPTION OF MTW ACTIVITY

This activity allows HACSC to waive the regulatory requirement for HUD approval of a qualified independent agency designated to conduct housing quality standards (HQS) inspection and rent reasonableness services for HACSC-owned units. In addition, this activity eliminates the requirement that the independent agency furnishes copies of each inspection report and rent reasonableness determination to the HUD field office.

IMPACT OF THE ACTIVITY

HACSC is able to reduce costs and achieve administrative streamlining by avoiding unnecessary delays and expenses related to the provision of HQS inspection and rent determination services for HACSC-owned units, while continuing to retain the integrity of the third-party inspection process.

FY2012 RESULTS

HACSC continues to work with its third-party inspection and rent reasonableness vendor for services related to all HACSC-owned or affiliated units.

Activity #2011-2: Simplify Requirements Regarding Third-party Inspections and Rent Services				
Metrics	Baseline	Benchmark	Actual (FY2011)	Actual (FY2012)
# of days to approve a qualified independent inspection agency through HUD	7 days	0 days	0 days	0 days
$ cost to send copies of inspection reports to HUD	$649.00	$0.00	$0.00	$0.00

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

There have been no revisions to the baselines, benchmarks or metrics related to this activity.

AUTHORIZATION FOR APPROVED ACTIVITY

This activity is authorized in HACSC's Moving To Work Agreement, Attachment C, Paragraph D 2(b), D 2(c), and D 5 and waives certain provisions of section 8 (o) of the 1937 Act and 24 CFR 983.103 (f)2, 24 CFR 983.59 (b) and 24 CFR 982.352 (b)(iv)(B), as necessary to implement HACSC's MTW Plan.

An MTW waiver is necessary for this activity because HUD regulations require that an independent entity inspect and determine rents at PHA owned properties. The independent entity must be approved by HUD and submit inspection reports and rent determinations documents to HUD.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

Create Affordable Housing Acquisition and Development Fund (Activity #2012-3)

DESCRIPTION OF MTW ACTIVITY

Using MTW funds under the authority of this activity, HACSC will continue to seek and pursue opportunities to build new rental housing units as well as acquire existing land and/or units and construct or rehabilitate them.

HACSC aims to use this activity to increase its supply of quality rental housing, striving to serve a diverse range of resident populations, many of which have special needs or are vulnerable populations (such as the disabled, seniors, foster youth, the homeless, and extremely low-income households). Currently, HACSC and its affiliates own, manage, or control 2,300 units of affordable rental housing across Santa Clara County. HACSC will use a variety of methods to pursue this goal such as:

- Using MTW flexibility to purchase land and/or improvements, or to participate in project ownership/development by providing financing for direct construction or rehabilitation costs;
- Leveraging, where possible, additional funds from private and public sources (including Low Income Housing Tax Credits);
- Pursuing, where appropriate, partnerships with funders that support energy conservation and renewable energy in building design; and
- Bearing costs of site acquisition and construction or rehabilitation of sites either directly, or in a joint venture with another developer/partner.

IMPACT OF THE ACTIVITY

As federal, state, and local sources or funds for affordable housing have decreased over the past few years, many developer-initiated housing projects, which were fully entitled and approved as affordable housing, were stalled in the development process. HACSC will use its broader use of funds authority to step in to generate more development activities throughout Santa Clara County, giving these projects a much needed boost. The activity is expected to lead to the development or rehabilitation of up to 250 units over five years, with affordability for low-income tenants and with an affordability restriction on the properties of up to 55 years.

FY2012 RESULTS

In FY2012, three projects were approved for funding under Activity 2012-3:

- Ford and Monterey Family Housing - 75 units of family housing developed by Eden Housing, Inc. Through a competitive RFP process, Eden Housing was selected to receive a loan of $6.5 million dollars to develop 75 tax-credit units that serve Very Low and Extremely Low Income households, including five units set aside for mentally ill, formerly homeless individuals or families.

- Villa Garcia Family Housing – 80 units of family housing originally developed through the HUD 236 program and operated by Villa Garcia, Inc., a HACSC affiliated non-profit. Following repayment of the HUD mortgage, the Housing Authority Board approved a loan of $1 million dollars to pay for pre-development expenses associated with the preservation and rehabilitation of 80 units of housing that serves 59 households at or below 50% of median income and 21 households at or below 60% of median income.

- Park Avenue Development – Up to 175 units of family and senior housing. The Housing Authority Board approved a loan of $500,000 to pay for pre-development expenses associated with the new construction of up to 175 units of affordable housing on the HACSC owned site. In FY2012 HACSC also received HUD approval to accumulate RHF funds to be used for the development of non-public affordable housing. In FY2013, additional funds from the Acquisition and Development Fund may be awarded to assist with project construction.

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

Data related to this activity will be collected at least annually from development records and budget/actual expenditure reports. As this activity is implemented, HACSC may revise the activity's metrics and further quantify and refine its performance baselines and benchmarks.

Activity 2012-3: Create Affordable Housing Acquisition and Development Fund		
Metrics	**Baselines (FY2011)**	**Benchmarks (by 2016)**
# of new affordable rental units developed or rehabilitated	0	250
$ per unit invested in development of affordable units – HACSC MTW funds	0	$60,000
$ per unit leveraged to develop affordable units – other sources	0	$300,000

AUTHORIZATION FOR APPROVED ACTIVITY

This proposed activity is authorized in HACSC's Moving to Work Agreement, Attachment D – Use of Funds.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

Create Affordable Housing Preservation Fund for HACSC and Affiliate-Owned Properties (Activity #2012-4)

DESCRIPTION OF MTW ACTIVITY

Using its broader use of funds authority, HACSC ensures the long-term stability and viability of existing HACSC- and affiliate-owned rental housing properties through the creation of an affordable housing preservation fund. Currently, HACSC has over 1,500 units that need capital investment, and potentially re-syndication of tax credits to maintain the quality and quantity of units available to low-very low, and extremely low income residents. In conjunction with the creation of an affordable housing preservation fund, HACSC conducts detailed capital needs assessments and reviews financial projections at each site, establishes priorities for rehabilitation and refinancing, and explores options for upgrading units.

IMPACT OF THE ACTIVITY

By 2017, HACSC 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 also allows HACSC 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 HACSC and allows HACSC, 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.

FY2012 RESULTS

In FY2012, no MTW funds were directly allocated to the Preservation fund. However, the approved FY2013 MTW Plan includes a provision that states when and if MTW funds are loaned to develop affordable housing, any loan payments subsequently collected will be deposited into the Preservation Fund in order to support the above approved uses.

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

Data related to this activity will be collected at least annually from development records and budget/actual expenditure reports. As this activity is implemented, HACSC may revise the activity's metrics and further quantify and refine its performance baselines and benchmarks.

Activity 2012-4: Create Affordable Housing Preservation Fund for HACSC- and Affiliate-Owned Properties		
Metrics	**Baselines (FY2011)**	**Benchmarks (by 2016)**
# of new affordable rental units in sites with unaddressed capital improvement needs	1,500	1,000
$ invested in preservation of affordable units – HACSC MTW funds	0	$6 million
$ leveraged to preserve affordable units – other sources	0	$14 million

AUTHORIZATION FOR THE ACTIVITY

This proposed activity is authorized in HACSC's Moving to Work Agreement, Attachment D – Use of MTW Funds.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

Expand Tenant Services at HACSC and Affiliate-Owned Affordable Housing Properties (Activity #2012-5)

DESCRIPTION OF MTW ACTIVITY

This activity allows HACSC to use its broader use of funds authority to expand its provision of programs and services for tenants living at HACSC- or affiliate-owned non-Section 8/9 affordable rental properties. Programs and services include, but are not limited to: educational classes, life skills training, after-school programs, case management, resource services, social programs, and emergency assistance. The types of programs and services offered varies based on the specific needs of each senior or family property. While services are made available, and tenants are encouraged to attend, participation is not required as a condition of residency.

IMPACT OF THE ACTIVITY

This activity allowed HACSC to expand the reach of services offered to its tenants. Within the past three years, services and programs have been brought to 10 former or current public housing sites. Other properties currently receiving services are non-Section 8/9 sites—services at some of these sites had previously been possible through grant funding, which expired during FY2011. The addition of services and on-site interventions has resulted in greater tenant stability, independence, and a heightened sense of community among tenants. HACSC plans to continue to use this activity to fund tenant services at its non-Section 8/9 properties where property income cannot cover costs.

FY2012 RESULTS

Recognizing that housing alone is often not enough to provide stability, HACSC has partnered with third-party providers, and now offers a range of services and programs to all of its 26 HACSC or affiliate-owned properties, including the 16 non-Section 8/9 sites. Regular resident needs surveys are conducted to identify and prioritize potentially appropriate services at each site. By deliberately tailoring programs and services to each community, HACSC anticipates that tenants will gain some or all of the necessary skills to address daily living requirements, maintain housing, and, for work-able residents, possibly re-enter or move up in the work force. Another benefit is a greater sense of community among residents through participation in services and programs. Besides benefits for tenants, HACSC staff will also realize greater productivity in property management by the reduction of administrative burden of processing avoidable evictions.

In 2012, HACSC prepared and distributed a Tenant Satisfaction Survey to all residents. The results of this survey will be used to create a baseline for measuring annual utilization and effectiveness of the enriched services. A complete summary of the survey results is available upon request.

The benchmark for the total number of hours of services/programs was not met in FY2012 due to: the removal of the Auturo Ochoa Migrant Center from HACSC's property inventory, the removal of Seifert House through project-basing, and the partial year of services and programs provided at properties undergoing renovations.

REVISIONS TO BENCHMARKS AND METRICS; CHANGES TO DATA COLLECTION METHODOLOGY

In FY2012, there were two changes to HACSC's non-Section 8/9 inventory: the Auturo Ochoa Migrant Center was transferred to the County of Santa Cruz, and Seifert House was project-based, becoming a Section 8 property. Due to these changes, HACSC is proposing to change the benchmark from 16 non-Section 8/9 properties receiving services to 14 non-Section 8/9 properties in order to reflect the lower non-Section/9 inventory. Consequently, HACSC also proposes to revise the total number of hours of services/programs provided to 8,400, to reflect the lower number of properties.

Additionally, HACSC has included a metric to capture tenant satisfaction in regards to resident services. In FY2012, Lifesteps began conducting a tenant satisfaction survey pertaining specifically to resident services. Survey results are unavailable as of the writing of this report and will be analyzed in HACSC's FY2013 Report. As this activity is fully implemented, HACSC may continue to revise the activity's metrics and further quantify and refine its performance baselines and benchmarks.

Data related to this activity will be collected at least annually from property management records, reports from and audits of third-party service providers, and survey results.

Activity 2012-5: Expand Tenant Services at HACSC- or Affiliate-Owned Affordable Housing Properties			
Metrics	**Baselines (FY2011)**	**Benchmarks**	**Actual (FY2012)**
Total # of hours of services/programs provided at non-Section 8/9 properties, per year	3,936	8,400	6,371
# of non-Section 8/9 properties receiving services	6	14	14
% tenant satisfaction rate in regards to resident services	N/A	80%	N/A

AUTHORIZATION FOR THE ACTIVITY

This proposed activity is authorized in HACSC's Moving to Work Agreement, Attachment D – Use of MTW Funds.

IMPACT OF RENT REFORM INITIATIVE

This activity does not qualify as a Rent Reform Initiative.

VII. SOURCES AND USES OF FUNDING

A. SOURCES AND USES OF MTW FUNDS

A1. SOURCES AND USES OF MTW FUNDS-Traditional Activities

FY2012 Planned Sources	Public Housing	Section 8 - MTW	MTW Consolidated
Rental Revenue	$19,863		$19,863
Capital Grant Program (CGP)		$ -	$ -
Replacement Housing Factor		$ -	$ -
Section 8 HAP Funding		$240,128,108	$240,128,108
Operating Subsidy	$11,426		$11,426
Administrative Fee		$15,673,522	$15,673,522
FSS Coordinator Fee		$270,150	$270,150
FSS Escrow Forfeits		$ -	$ -
Other Revenue *	$110	$119,664	$119,774
Operating Revenue Sources:	$31,399	$256,191,444	$256,222,843
Non Operating Revenue (Land Lease)		$130,039	$130,039
Total Sources (Before Transfers)	$31,399	$256,321,483	$256,352,882
Transfer from Public Housing Operating Reserves	$2,491		$2,491
Transfers From MTW Reserves***		$40,473,327	$40,473,327
Total Sources	$33,890	$296,794,810	$296,828,700

*Includes Laundry of $110, BMR compliance fees of $82,415 & loan interest of $37,249 on Pre-2004 Admin Fees advanced to Villa Garcia Property.

FY2012 Actual Sources	Public Housing	Section 8 - MTW	MTW Consolidated
Rental Revenue *	$84,848		$84,848
Capital Grant Program (CGP)	$16,492		$16,492
Replacement Housing Factor	$259,257		$259,257
Section 8 HAP Funding		$239,149,806	$239,149,806
Operating Subsidy	$36,058		$36,058
Administrative Fee		$16,530,698	$16,530,698
FSS Coordinator Fee		$166,650	$166,650
FSS Escrow Forfeits		$6,493	$6,493
Other Revenue **	$3,995	$159,301	$163,297
Operating Revenue Sources:	$400,650	$256,012,947	$256,413,597
Non Operating Revenue (Land Lease)		$130,549	$130,549
Total Sources (Before Transfers)	$400,650	$256,143,496	$256,544,146
Transfer from Public Housing Operating Reserves	$108,510		$108,510
Transfers From MTW Reserves***		$22,125,302	$22,125,302
			$ -
Total Sources	$509,160	$278,268,798	$278,777,958

* Rental Revenues for the 20 public housing units were planned for three months, with the expectation of the disposition of the properties by 9/30/2011. However, due to pending HUD disposition approval, these 20 public housing units were not disposed and remained operational for the whole year. Thus, $84K was the actual rental income amount that was collected for the 12 months period.

** Other public housing revenue includes: $2K for interest income, $990 for laundry, and $948 for misc. income. Other MTW Section 8 revenue includes: $77K compliance admin. fee, $35K interest income, $37K fraud recovery, and $9K for other misc. income.

*** This represents the transfers from MTW reserves for the shortfall in Sources to provide for Uses. Actuals were comprised of shortfalls in HAP and Admin Fees earned in the year. This also includes funds to provide for the Non Traditional Activities Fund for MTW Activity #2012-3 "Acq & Dev Fund" of $15m and MTW Activity #2012-05 "Tenant services" $56,439.

FY2012 Planned Expenditures	Public Housing	Section 8 - MTW	MTW Consolidated
Administrative and Operating Expenses *	$15,605	$19,799,510	$19,815,115
Tenant Services	$3,399		$3,399
Utilities	$3,808		$3,808
Maintenance & Operations	$2,471		$2,471
Contract Costs & Protective Services	$8,607		$8,607
Facilities Consolidation Expenditures Fund		$7,000,000	$7,000,000
Capital Expenditures**		$660,300	$660,300
Replacement Housing Factor Expenditures			
Capital Grant Program Expenditures			
Subtotal	$33,890	$27,459,810	$27,493,700
Housing Assistance Payments (HAP)		$250,935,000	$250,935,000
Total Planned Expenditures, before Transfers	$33,890	$278,394,810	$278,428,700
Transfers to FUP to cover for CY 2011 HAP deficits			
Activity 2012-3 Transfer to Acquistion & Development Fund		$15,000,000	$15,000,000
Activity Fund 2012-4 Transfer to Preservation Fund		$3,000,000	$3,000,000
Activity Fund 2012-5 Expanded Tenant Services		$400,000	$400,000
Total Planned Expenditures	$33,890	$296,794,810	$296,828,700

HACSC expected the disposition of its final 20 units of public housing by 9/30/2011. However, due to pending HUD disposition approval, these 20 public housing units were not disposed and remained operational for the whole year.

*Includes Needs Assessment consultant fees, Sec 8 program administration improvements, and Sec 8 data recovery costs.

**Includes purchase of new Sec 8 software and related hardware costs.

FY2012 Actual Expenditures	Public Housing	Section 8 - MTW	MTW Consolidated
Administrative and Operating Expenses	$147,151	$19,388,661	$19,535,813
Tenant Services	$10,672		$10,672
Utilities	$16,797		$16,797
Maintenance & Operations	$498		$498
Contract Costs & Protective Services	$58,293	$720	$59,013
Facilities Consolidation Expenditures*		$72,380	$72,380
Capital Expenditures **		$475,930	$475,930
Replacement Housing Factor Expenditures*****	$259,257		$259,257
Capital Grant Program Expenditures	$16,492		$16,492
Subtotal	$509,160	$19,937,691	$20,446,851
Housing Assistance Payments (HAP)		$243,087,770	$243,087,770
Total Actual Expenditures, before Transfers	$509,160	$263,025,461	$263,534,622
Activity 2012-3 Transfer to Acquisition & Development Fund****		$15,000,000	$15,000,000
Activity Fund 2012-5 Expanded Tenant Services #		$56,439	$56,439
Transfers to FUP to cover for CY 2011 HAP deficits ***		$186,898	$186,898
Total Planned Expenditures	$509,160	$278,268,798	$278,777,958

* Amounts represent total costs and expenditures of the facilities consolidation activities incurred in FYE 6/30/2012. However, planned expenditure was $7 million. Major expenditure may be incurred in the FYE 6/30/2013 & 2014.

** Included consultation, services and purchases for new Sec 8 software system and development.

*** Transferred MTW reserves to Family Unification Programs to cover for its calendar year 2011 HAP deficits.

**** This is to create a separate fund of $15 million for Non-Traditional MTW Activity #2012-03, "Acq and Development." See below.

Non Traditional MTW Activity #2012-05 planned expenditure was $400,000. $56,439 was transferred in FY2012; the rest will be transferred as expenses are incurred in the future years.

***** Replacement Housing Factor (RHF) grants will be accumulated; they are included within the Sources and Uses table to reflect the accumulation but were not expended in FY2012.

A2. SOURCES AND USES OF MTW FUNDS- Non-Traditional Activities

FY2012 Actual Sources	MTW Activity #2012-3 Acq. & Dev. Fund	MTW Activity #2012-4 Preservation Fund *	MTW Activity #2012-5 Tenant Services	Total
Grants				$ -
Transfer Fr. MTW Reserve	$15,000,000	$ -	$56,439	$15,056,439
Transfer Fr. MTW - Acq and Dev. Reserve		$ -		$ -
Total Planned Sources	$15,000,000	$ -	$56,439	$15,056,439

FY2012 Actual Expenditures	MTW Activity #2012-3 Acq. & Dev. Fund	MTW Activity #2012-4 Preservation Fund *	MTW Activity #2012-5 Tenant Services	Total
Resident Services expenses			$55,755	$55,755
Acquisition & Development costs & Operational expenses	$186,921			$186,921
Total Planned Expenditures	$186,921	$ -	$55,755	$242,676

* No expenditures were incurred in FY2012 for MTW Activity #2012-4. However, there may be expenditures incurred future years.

B. SOURCES AND USES OF NON-MTW FEDERAL, STATE AND LOCAL FUNDS

B1. Sources and Uses of Federal Non-MTW Funds

FY2012 Planned Sources	Section 8 Mod Rehab	Shelter Plus Care	Section8, Non-Elderly & Disabled (N.E.D.)	Section 8, VASH	Section 8, Main-stream	Section 8, FUP	Total
Section 8 Subsidy	$1,136,700		$143,160	$3,832,567	$651,820	$1,954,950	$7,719,197
Administrative Fee	$117,103	$267,836	$12,592	$421,819	$66,735	$125,916	$1,012,001
Other Revenue/Grant	$1,130	$3,080,088		$6,000			$3,087,218
Transfer in/Out - Operating Reserves							
Transfer from MTW reserves to cover for CY 2011 HAP deficits							
Total Sources	$1,254,933	$3,347,924	$155,752	$4,260,386	$718,555	$2,080,866	$11,818,416

FY 2012 Actual Sources	Section 8 Mod Rehab	Shelter Plus Care	Section 8, Non-Elderly & Disabled (N.E.D.)	Section 8, VASH *	Section 8, Mainstream	Section 8, FUP **	Total
Section 8 Subsidy	$1,044,449	$ -	$143,039	$2,896,435	$659,625	$640,464	$5,384,012
Administrative Fee	$116,572	$267,475	$4,032	$351,108	$66,865	$102,166	$908,217
Other Revenue/Grant ***	$ -	$2,743,094		$9,143			$2,752,236
Transfer in - From Operating/HAP Reserves	$305,810			$1,142,251		$928,869	$2,376,931
Transfer from MTW reserves to cover for CY 2011 HAP deficits						$186,898	$186,898
Total Sources	$1,466,831	$3,010,569	$147,071	$4,398,937	$726,490	$1,858,397	$11,608,295

* Due to HUD Cash Management Policy, VASH HAP funding from HUD was subjected to offset for Calendar Year 2012. Thus, the actual received was less then what was planned and required the use of VASH program reserves.

** FUP CY2011 HAP funding was significantly lower than the actual HAP expenses ($1.8M) for the year.
*** SPC, $2.7M was grant revenue; VASH: $9K was interest income.

FY2012 Planned Expenditures	**Section 8 Mod Rehab**	**Shelter Plus Care**	**Section8, Non-Elderly & Disabled (N.E.D.)**	**Section8, VASH**	**Section 8, Main-stream**	**Section 8, FUP**	**Total**
Administrative Expenses	$196,770	$94,949	$12,592	$121,802	$66,735	$125,916	$618,764
Other Operating and General Expenses	$218,541	$111,947	$ -	$169,356			$499,844
Subtotal (Before HAPS and Transfers)	$415,311	$206,896	$12,592	$291,158	$66,735	$125,916	$1,118,608
Housing Assistance Payments (HAP)	$1,136,700	$3,080,088	$143,160	$3,832,567	$651,820	$1,954,950	$10,799,285
Interprogram Transfers- Vouchers	$ -	$ -		$ -			$ -
Transfer in/Out - Operating Reserves	$(297,078)	$60,940	$ -	$136,661			$(99,477)
Total Planned Expenditures	$1,254,933	$3,347,924	$155,752	$4,260,386	$718,555	$2,080,866	$11,818,416

FY2012 Actual Expenditures	**Section 8 Mod Rehab**	**Shelter Plus Care**	**Section 8, Non-Elderly & Disabled (N.E.D.)**	**Section 8, VASH**	**Section 8, Main-stream**	**Section 8, FUP**	**Total**
Administrative Expenses	$210,842	$90,258	$2,880	$130,817	$40,519	$72,919	$548,235
Other Operating and General Expenses	$211,539	$108,027	$1,152	$236,830	$26,346	$29,247	$613,142
Subtotal (Before HAPS and Transfers)	$422,382	$198,286	$4,032	$367,646	$66,865	$102,166	$1,161,377
Housing Assistance Payments (HAP)	$1,044,449	$2,743,094	$76,205	$4,031,291	$659,625	$1,756,231	$10,310,895
Interprogram Transfers- Vouchers							$ -
Transfer Out - To Operating/HAP Reserves		$69,189	$66,835				$136,023
Total Planned Expenditures	$1,466,831	$3,010,569	$147,071	$4,398,937	$726,490	$1,858,397	$11,608,295

NED and FUP: Actual expenditures were calculated based on the actual admin fee received for the period. The variance between the actual plan expenditures is due to the lower number of units leased as compared to the number of units authorized.

B2. Sources and Uses of State & Local Funds

FY2012 Planned Sources	Migrant Center	TBRA (City of Sunnyvale)	Total
Rental Assistance		$154,000	$154,000
Administrative Fee		$21,000	$21,000
Grant	$137,211		$137,211
Total Sources	$137,211	$175,000	$312,211

FY2012 Uses Sources	Migrant Center	TBRA (City of Sunnyvale)	Total
Rental Assistance		$103,031	$103,031
Administrative Fee		$18,536	$18,536
Grant	$127,211		$127,211
Transfer in - From Operating Reserves		$1,855	$1,855
Total Sources	$127,211	$123,422	$250,633

FY2012 Planned Expenditures	Migrant Center	TBRA (City of Sunnyvale)	Total
Administrative Expenses	$30,125	$14,548	$44,673
Utilities	$32,333		$32,333
Maintenance & Operations	$61,598		$61,598
General Expenses	$13,155	$6,452	$19,607
Subtotal	$137,211	$21,000	$158,211
Housing Assistance Payments (HAP)		$154,000	$154,000
Total Expenditures	$137,211	$175,000	$312,211

FY2012 Uses Expenditures	Migrant Center	TBRA (City of Sunnyvale)	Total
Administrative Expenses	$26,004	$14,738	$40,742
Utilities	$36,320		$36,320
Maintenance & Operations	$93		$93
General Expenses	$64,794	$5,653	$70,447
Subtotal	$127,211	$20,391	$147,602
Housing Assistance Payments (HAP)		$103,031	$103,031
Total Expenditures	$127,211	$123,422	$250,633

SOURCES AND USES OF COCC

All Public Housing COCC new Revenue was used during for low-income housing and related operating expenses.

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.

USE OF SINGLE FUND FLEXIBILITY

Using single fund flexibility, HACSC established one agency-wide funding category called "MTW Funds," which continues to provide the Agency with more freedom to address local program, administrative, and operational needs and objectives.

In FY2012, single fund flexibility was employed to provide for: operating expenses for the purchase of new Section 8 software (Emphasys Elite), to perform a business process review which examines ways to further streamline administrative processes, and to conduct a needs assessment and rent reform analysis to better plan for local objectives. Additionally, funds were used to support the over leasing of the Section 8 voucher program. HACSC further used its block grant authority to support the disposition and conversion of its public housing units to the project based voucher program, and exercised its fund flexibility to improve day to day work efficiencies and quality of work through staff trainings. Furthermore, tenant services have been made available to all residents of all developments, including PBV and non-PBV households; MTW funds have been set aside to help pay for the cost of these resident services, if needed, at a particular property.

Through its Affordable Housing Acquisition and Development Fund and its Affordable Housing Preservation Fund for HACSC and Affiliate Owned Properties, HACSC plans to use MTW funds to support and leverage the development and preservation of rental housing that is affordable to low, very low, and extremely low income households. Other planned reserve expenditures, as described further in MTW FY2013 may include: covering the costs of over-leasing in the Housing Choice Voucher program, and consolidating HACSC office space to enhance administrative efficiencies.

VIII. ADMINISTRATIVE

PROGRESS ON CORRECTIONS OF OBSERVED DEFICIENCIES CITED IN MONITORING VISITS

HACSC had its fourth MTW site visit in February FY2012 and there were no observations or deficiencies cited by HUD during the visit or in any subsequent written report to HACSC.

RESULTS OF AGENCY-DIRECTED MTW DEMONSTRATION EVALUATIONS

In FY2011, HACSC began an MTW-related evaluation in order to explore and develop strategies for future rent reform activities. As part of this evaluation, HACSC commissioned a Needs Assessment, which highlighted the needs of certain vulnerable populations, such as the chronically homeless, disabled, and elderly. In line with the results of Needs Assessment, HACSC continues to focus on increased housing opportunities for these special needs populations and will continue to consult the Assessment to inform its decision-making as to how to best meet the community's housing needs.

In FY2012, HACSC expanded its MTW evaluation by extensively researching different rent reform models and considering potential local impacts and implications. After carefully developing a rent reform strategy, HACSC extensively engaged with community partners and stakeholders to discuss its proposed broad based rent reform. Through these discussions, HACSC recognized the need for further community engagement and dialogue in order to design a rent reform strategy that will both meet MTW objectives and speak to local challenges. HACSC will continue to evaluate and explore rent reform initiatives in FY2013.

Additionally, in FY2012, HACSC worked with a consultant to study and identify best practices in case management to evaluate its own case management programs. This evaluation will continue through FY2013, and will be used to enhance and refine HACSC's case management strategies.

PERFORMANCE AND EVALUATION REPORT FOR CAPITAL FUND ACTIVITIES NOT INCLUDED IN THE MTW BLOCK GRANT

In FY2012, Capital Fund grant CA39P059501-10 was fully expended and closed out. Approximately $17,000 was expended in FY2012. The allocation and expenses for the grant are detailed in Appendix Four of this Report. Beginning with CA39P059501-11, Capital Grants have been included within the MTW Bock grant, and no further separate reporting will be required in future MTW Reports.

CERTIFICATION THAT HACSC HAS MET STATUTORY REQUIREMENTS

See attached certification in Appendix One of this MTW Report.

APPENDIX ONE

HOUSING AUTHORITY of the COUNTY of SANTA CLARA

Leaders in *Making a Difference.*

Executive Director
Alex Sanchez

505 West Julian Street, San Jose, California 95110-2300 • Tel 408/275-8770 • TDD 408/993-3041 www.hacsc.org

September 26, 2012

On behalf of the Housing Authority of the County of Santa Clara and the Housing Authority of the City of San Jose, I certify that the Agency has met the three statutory requirements of the Moving to Work Program during fiscal year 2012:

1. At least 75 percent of the families assisted by the Agency are very low-income families;
2. The Agency has 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.

Karen Herny for 9/26/2012

Alex Sanchez
Executive Director

Date

APPENDIX TWO

Approved MTW Activities for the FY2012 reporting period:

		MTW Statutory Objectives		
Activity # (Plan year proposed + Activity #)	**Activity**	**Reduce cost and achieve greater cost effectiveness in federal expenditures**	**Provide incentives to families ... leading toward economic self-sufficiency**	**Increase housing choices for low-income families**
IMPLEMENTED IN FY2009				
2009-1	Reduced Frequency of Tenant Reexaminations	X		
2009-2	Simplification and Expediting of the Income Verification Process	X		
2009-3	Reduced Frequency of Inspections	X		
2009-5	Exploring New Housing Opportunities for the Chronically Homeless			X
2009-10	Selection of HACSC-owned Public Housing Projects for PBV without Competition	X		
2009-13	Combined Waiting Lists for the County of Santa Clara and the City of San Jose	X		X
IMPLEMENTED IN FY2010				
2009-4	Timeline to Correct Housing Quality Standards (HQS) Deficiencies	X		
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		
2010-1	Eliminating 100% Excluded Income from the Income Calculation Process	X		
2010-2	Excluding Asset Income from Income Calculations for Families with Assets Under $50,000	X		
2010-3	Applying Current Increased Payment Standards at Interim Reexaminations	X		X

		MTW Statutory Objectives		
Activity # (Plan year proposed + Activity #)	**Activity**	**Reduce cost and achieve greater cost effectiveness in federal expenditures**	**Provide incentives to families ... leading toward economic self-sufficiency**	**Increase housing choices for low-income families**
IMPLEMENTED IN FY2011				
2010-4	Allocating Project-Based Vouchers to HACSC-owned Projects Without Competition	**X**		
2010-5	Assisting Over-Income Families Residing at HACSC-owned Project-Based Voucher Properties			**X**
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**
2012-5	Expand Tenant Services at HACSC- and Affiliate-Owned Affordable Housing Properties		**X**	

Note: Obsolete activities are not shown. These were approved as activities 6, 7, and 12 in FY2009. Final reporting on these activities was provided in the FY2009 MTW Annual Report.

APPENDIX THREE

FY2011 Independent Auditor's Report (OMB-A-133) for HACSC

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

Single Audit Reports

For the Year Ended June 30, 2011

MGO **Certified Public Accountants.**

HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
(A Component Unit of the County of Santa Clara)
For the Year Ended June 30, 2011

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Certified Public Accountants.

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

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

We have audited the financial statements of the business-type activities (primary government) and the aggregate discretely presented component units information of the Housing Authority of County of Santa Clara (the Authority), a component unit of the County of Santa Clara, California, as of and for the year ended June 30, 2011, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated March 28, 2012. Our report includes a reference to other auditors, a scope limitation related to Julian Street Partners, L.P., which was not audited and an explanatory paragraph describing the change in the Authority's reporting entity. Except for the Julian Street Partners, L.P., we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the aggregate discretely presented component units, except for Julian Street Partners, L.P., as described in our report on the Authority's financial statements. The audits of the aggregate discretely presented component units, except for the AE Associates, LTD; HACSC/Choices Family Associates, Opportunity Center Associates; Fairground Luxury Family Apartments; S.P.G. Housing Inc. and Subsidiaries; Villa Garcia, Inc.; Villa San Pedro HDC, Inc.; and Program Responsible in Daring Excellence, were not performed in accordance with *Government Auditing Standards*. 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.

Internal Control Over Financial Reporting

Management of the Authority is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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2121 N. California Blvd., Suite 750, Walnut Creek, CA 94596
505 14th Street, 5th Floor, Oakland, CA 94612
2029 Century Park East, Suite 500, Los Angeles, CA 90067
4675 MacArthur Ct., Suite 600, Newport Beach, CA 92660
225 Broadway, Suite 1750, San Diego, CA 92101

Compliance and Other Matters

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

We noted certain matters that we reported to management of the Authority in a separate letter dated March 28, 2012.

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

Macias Gini & O'Connell LLP

Walnut Creek, California
March 28, 2012

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

Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program, on Internal Control over Compliance in Accordance with OMB Circular A-133 and Schedule of Expenditures of Federal and State Awards

Compliance

We have audited the compliance of Housing Authority of County of Santa Clara (the Authority), a component unit of the County of Santa Clara, California, with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2011. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

The Authority's basic financial statements include the operations of Villa Garcia, Inc., Villa San Pedro HDC, Inc., and the Program Responsible in Daring Excellence that expended $2,396,357, $1,499,495 and $579,669, respectively, in federal awards for the years ended December 31, 2010, December 31, 2010 and June 30, 2011, respectively, and which are not included in the schedule of expenditures of federal and state awards for the year ended June 30, 2011. Our audit, described below, did not include the operations of Villa Garcia, Inc., Villa San Pedro HDC, Inc. or the Program Responsible in Daring Excellence because other auditors were engaged to perform the audits of Villa Garcia, Inc., Villa San Pedro HDC Inc. and the Program Responsible in Daring Excellence in accordance with OMB Circular A-133.

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

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

3000 S Street, Suite 300, Sacramento, CA 95816 | 2121 N. California Blvd., Suite 750, Walnut Creek, CA 94596 | 505 14th Street, 5th Floor, Oakland, CA 94612 | 2029 Century Park East, Suite 500, Los Angeles, CA 90067 | 4675 MacArthur Ct., Suite 600, Newport Beach, CA 92660 | 225 Broadway, Suite 1750, San Diego, CA 92101

Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected or corrected, on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the business-type activities (primary government) and the aggregate discretely presented component units information of the Authority as of and for the year ended June 30, 2011, and have issued our report thereon dated March 28, 2012, which contained a qualified opinion on the financial statements of the aggregate discretely presented component units because the Julian Street Partners, L.P., a discretely presented component unit, was not audited. Our report includes a reference to other auditors and an explanatory paragraph describing the change in the Authority's reporting entity. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Authority's financial statements. The accompanying schedule of expenditures of federal and State awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the 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 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Macias Gini & O'Connell LLP

Walnut Creek, California
March 28, 2012

HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
(A Component Unit of the County of Santa Clara)
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2011

Grantor/Pass-Through Grantor/Program Title	Grantor Identifying Number	Federal CFDA Number	Expenditures
Direct:			
Shelter Plus Care	n/a	14.238	$ 2,406,647
Section 8 Project Based Cluster:			
Section 8 Moderate Rehabilitation Single Room Occupancy	n/a	14.249	543,167
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	n/a	14.856	610,620
Subtotal Section 8 Project Based Cluster			1,153,787
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	n/a	14.871	2,545,700
Family Unification Program (FUP)	n/a	14.880	1,503,059
Subtotal Housing Voucher Cluster			4,048,759
Mainstream Vouchers	n/a	14.879	706,619
Moving To Work Demonstration Program	n/a	14.881	254,793,867
Total U.S. Department of Housing and Urban Development			263,109,679
Total Expenditures of Federal Awards			$ 263,109,679
State of California:			
Pass-through Department of Housing and Community Development (HCD) - Division of Community Affairs - Offic of Migrant Services Migrant - Labor Housing (Operation)	09-OMS-900	n/a	$ 153,110
	09-OMS-925	n/a	199,446
Total Expenditures of State Awards			$ 352,556

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

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HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
(A Component Unit of the County of Santa Clara)
Notes to the Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2011

NOTE 1 – GENERAL

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

NOTE 2 – BASIS OF ACCOUNTING

The Schedule is presented using the accrual basis of accounting.

NOTE 3 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

NOTE 4 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

NOTE 5 –DISCRETE COMPONENT UNITS FEDERAL EXPENDITURES

Villa Garcia, Inc., Villa San Pedro HDC, Inc. and the Program Responsible in Daring Excellence (PRIDE)'s federal expenditures are excluded from the Schedule because their federal expenditures are separately audited. Expenditures for the programs of Villa Garcia, Inc. and Villa San Pedro HDC, Inc. for the year ended December 31, 2010 and of PRIDE for the year ended June 30, 2011 listed below are taken from the single audit reports audited by other auditors. The federal expenditures of these discretely presented component units are as follows:

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development:		
Direct Programs		
Section 201 Flexible Assistance Subsidy Loan with continuing compliance	14.164	$ 1,415,905
Section 8 Housing Assistance Payments	14.182	690,990
Section 236 Interest Reduction Insured Loan with continuing compliance	14.103	217,524
Section 235 Interest Reduction Subsidy	14.103	71,938
Total Federal Awards for Villa Garcia, Inc		$ 2,396,357
Direct Programs		
Section 201 Flexible Assistance Subsidy Loan with continuing compliance	14.164	$ 799,933
Section 8 Housing Assistance Payments	14.182	567,876
Section 221 (d)(3) Insured Loan with continuing compliance	14.135	131,686
Total Federal Awards for Villa San Pedro HDC, Inc		$ 1,499,495
Direct Programs		
HOME Program - Tenant Based Rental Assistance Program	14.239	$ 579,669
Total Federal Awards for PRIDE		$ 579,669

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HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
(A Component Unit of the County of Santa Clara)
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011

Section I **Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued on the basic financial statements of the Authority:	We issued an unqualified opinion for the business-type activities (primary government) and a qualified opinion for the aggregate discretely presented component units.
Internal control over financial reporting:	
♦ Material weakness(es) identified?	No
♦ Significant deficienc(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
♦ Material weakness(es) identified?	No
♦ Significant deficienc(ies) identified that are not considered to be material weaknesses?	None reported.
Type of auditor's report issued on compliance for major programs:	Unqualified.
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No
Identification of major programs?	

Program Title	CFDA Number
Moving To Work Demonstration Program	14.881
Housing Voucher Cluster	14.871 and 14.880

Dollar threshold used to distinguish between type A and type B programs:	$3,000,000
Auditee qualified as a low-risk auditee?	No

Section II - Financial Statement Finding

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

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HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA
(A Component Unit of the County of Santa Clara)
Summary Schedule of Prior Audit Finding
For the Year Ended June 30, 2011

Reference #: 2010-01

CFDA Number and Program Name:	14.881 Moving To Work Demonstration Program
Condition:	Supporting documents were not available for audit review. Thus, the auditor was not able to verify the compliance with the requirements. Out of the 60 items selected: *Eligibility* – 19 samples did not have the "Tenant Authorization to Proceed" form and/or other forms from tenants to release their information for income verification and 6 samples did not have documents such as W-2, bank statements and/or other documents to prove the tenant income. *Housing Standard Quality Inspection* – 5 samples did not have Letter of Deficiency, 16 samples did not have self-certification, 3 samples did not have Abatement Letter and 2 samples did not have housing standard quality inspection report.
Recommendation:	We recommend the Authority perform periodic backup for source data in case of system failure or data migration. We also recommend the Authority store the backup data at an offsite location away from the main data center.
Current Year Status:	Corrected. The Authority performs periodic back-up and stores the back up in two offsite locations – Union City and Sacramento, California.

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APPENDIX FOUR

Performance and Evaluation Report for Capital Fund activites not included in the MTW Block Grant:

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

US Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part I : Summary
PHA Name: Housing Authority of the County of Santa Clara

Grant Type and Number
Capital Fund Grant No.: CA39PO5950110
Replacement Housing Factor Grant No. N/A
Date of CFFP:

Federal FY of Grant: 2010

__Original Annual Statement ___ Reserve for Disasters/Emergencies __ Revised Annual Statement
__Performance and Evaluation Report for Period Ending: x Final Performance and Evaluation Report

Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
		Original	Revised	Obligated	Expended
1	Total non-CFP Funds	$ -			
2	1406 Operations				
3	1408 Management Improvements				
4	1410 Administration	$ 54,966.60			
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs		$ 23,759.74	$ 23,759.74	$ 23,759.74
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment - nonexpendable	$ 495,401.40	$ 526,608.26	$ 526,608.26	$ 526,608.26
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs				
18	1499 Development Activities				
18a	1501 Collaterization or Debt Service paid by PHA	$ -			
18b	1501 Collaterization or Debt Service paid by Via System of Direct Payment				
19	1502 Contingency	$ -	$ -	$ -	$ -
20	Amount of Annual Grant (sum of lines 2-19)	$ 550,368.00	$ 550,368.00	$ 550,368.00	$ 550,368.00

4/5/12

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

US Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part I : Summary

Capital Fund Grant No.: CA39PO5950110 — 2010
Replacement Housing Factor Grant No. N/A

___Original Annual Statement ___ Reserve for Disasters/Emergencies _ Revised Annual Statement (revision no. 2)
___Performance and Evaluation Report for Period Ending: x Final Performance and Evaluation Report

Line	Summary by Development Account		Total Estimated Cost		Total Actual Cost	
			Original	Revised	Obligated	Expended
21	Amount of line 20 Related to LBP Activities	$ -				
22	Amount of line 20 Related to Section 504 Activities					
23	Amount of line 20 Related to Security - Soft Costs					
24	Amount of line 20 Related to Security - Hard Costs					
25	Amount of line 20 Related to Energy Conservation measures		$ 269,883.90			

Signature of Executive Director	Date	Signature of Public Housing Director	Date

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

US Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part II: Supporting Pages

PHA Name: Housing Authority of the County of Santa Clara

Grant Type and Number
Capital Fund Grant No.: CA39PO5950110
Replacement Housing Factor Grant No: N/A

Federal FY of Grant: 2006 2010

Development Number Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
Eklund I								
CA39 PO59-014				$ -				
	GE® 30-Inch Freestanding Electric Range (Color: White)/Dishwasher	1465.1		$ 6,425.00	12,471.98	12,471.98	12,471.98	
	GE® 18 Cu. Ft. Top Mount Refrigerator (Color: White) ENERGY STAR®	1465.1		$ 7,589.00				
	Total			$ 14,114.00	$ 12,471.98	$ 12,471.98	$ 12,471.98	

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Part II: Supporting Pages

PHA Name: Housing Authority of the County of Santa Clara

Grant Type and Number
Capital Fund Grant No.:CA39PO5950110
Replacement Housing Factor Grant No: N/A

Federal FY of Grant: 2010

Development Number Activities	General Description of Major Work Categories	Dev. Acct No	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
Eklund II								
CA39 PO59-014								
	GE® 30-Inch Freestanding Electric Range (Color: White)	1465.1		$ 3,855.00	7,483.19	7,483.19	7,483.19	
	GE® 18 Cu. Ft. Top Mount Refrigerator (Color: White) ENERGY STAR®	1465.1		$ 4,613.40				
	Total			$ 8,468.40	$ 7,483.19	$ 7,483.19	$ 7,483.19	

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Part II: Supporting Pages

PHA Name: Housing Authority of the County of Santa Clara

Grant Type and Number
Capital Fund Grant No.: CA39PO5950110
Replacement Housing Factor Grant No: N/A

Federal FY of Grant: 2006 2010

Development Number Activities	General Description of Major Work Categories	Dev. Acct N	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
Sunset Gardens								
CA39 PO59-005								
	GE® 30-Inch Freestanding Electric Range (Color: White)	1465.1		$ 48,187.50	93,539.86	93,539.86	93,539.86	
	GE® 18 Cu. Ft. Top Mount Refrigerator (Color: White) ENERGY STAR®	1465.1		$ 57,667.50				
	Microwaves and Steel grills	1465.1						
	Sofas, Chairs, Tables, Computers	1465.1			$ 6,515.97	$ 6,515.97	$ 6,515.97	
		1465.1			$ 5,217.85	$ 5,217.85	$ 5,217.85	
		1465.1			$ 5,212.91	$ 5,212.91	$ 5,212.91	
		1465.1			$ 1,303.06	$ 1,303.06	$ 1,303.06	
	heaters	1465.1			$ 2,534.95	$ 2,534.95	$ 2,534.95	
	Total			$ 105,855.00	$ 114,324.60	114,324.60	114,324.60	

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PHA Name: Housing Authority of the County of Santa Clara

Grant Type and Number
Capital Fund Grant No.: CA39PO5950110
Replacement Housing Factor Grant No: N/A

Federal FY of Grant: 2006 2010

Development Number Activities	General Description of Major Work Categories	Dev. Acct N	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
Lenzen Gardens								
CA39 PO59-007								
	GE® 30-Inch Freestanding Electric Range (Color: White)/Dishwasher	1465.1		$ 60,395.00	117,236.62	117,236.62	117,236.62	
	GE® 18 Cu. Ft. Top Mount Refrigerator (Color: White) ENERGY STAR®	1465.1		$ 72,276.60				
	Electric Heaters	1465.1			2,402.30	2,402.30	2,402.30	
	Sofa, Chairs, tables, computers	1465.1			$ 8,166.68	$ 8,166.68	$ 8,166.68	
		1465.1			$ 6,539.71	$ 6,539.71	$ 6,539.71	
		1465.1			$ 6,533.51	$ 6,533.51	$ 6,533.51	
		1465.1			$ 1,633.17	$ 1,633.17	$ 1,633.17	
	heaters	1465.1			$ 3,177.14	$ 3,177.14	$ 3,177.14	
		1465.1			$ 1,113.80	$ 1,113.80	$ 1,113.80	
	Total			$ 132,671.60	$ 146,802.93	$ 146,802.93	$ 146,802.93	

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PHA Name: Housing Authority of the County of Santa Clara		Grant Type and Number Capital Fund Grant No.: CA39PO5950110 Replacement Housing Factor Grant No: N/A				Federal FY of Grant: 2006		2010
Development Number Activities	General Description of Major Work Categories	Dev. Acct N	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
Cypress Gardens								
CA39 PO59-008								
	GE® 30-Inch Freestanding Electric Range (Color: White)/Dishwasher	1465.1		$ 80,312.50	155,899.76	155,899.76	155,899.76	
	GE® 18 Cu. Ft. Top Mount Refrigerator (Color: White) ENERGY STAR®	1465.1		$ 96,112.50				
	Electric Heaters	1465.1			3,303.46	3,303.46	3,303.46	
	Sofa, Chairs, tables, computers	1465.1			$ 10,859.95	$ 10,859.95	$ 10,859.95	
		1465.1			$ 8,696.42	$ 8,696.42	$ 8,696.42	
		1465.1			$ 8,688.18	$ 8,688.18	$ 8,688.18	
		1465.1			$ 545.99	$ 545.99	$ 545.99	
		1465.1			$ 2,171.77	$ 2,171.77	$ 2,171.77	
	heaters	1465.1			$ 4,224.91	$ 4,224.91	$ 4,224.91	
	Total			$ 176,425.00	$ 194,390.44	$ 194,390.44	$ 194,390.44	

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Part II: Supporting Pages

PHA Name: Housing Authority of the County of Santa Clara

Grant Type and Number
Capital Fund Grant No.: CA39PO5950110
Replacement Housing Factor Grant No: N/A

Federal FY of Grant: 2006 2010

Development Number Activities	General Description of Major Work Categories	Dev. Acct N	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
Lucretia/Julian								
CA39 PO59-012								
	GE® 30-Inch Freestanding Electric Range (Color: White)Dishwasher	1465.1		$ 16,062.50	31,179.95	31,179.95	31,179.95	
	GE® 18 Cu. Ft. Top Mount Refrigerator (Color: White) ENERGY STAR®	1465.1		$ 19,222.50				
	Sofa, chair, table, computer	1465.1						
	Total			$ 35,285.00	$ 31,179.95	$ 31,179.95	$ 31,179.95	

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PHA Name: Housing Authority of the County of Santa Clara		Grant Type and Number Capital Fund Grant No.: CA39PO5950110 Replacement Housing Factor Grant No: N/A				Federal FY of Grant: 2006		2010
Development Number Activities	General Description of Major Work Categories	Dev. Acct N	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
Miramar								
CA39 PO59-016								
	GE® 30-Inch Freestanding Electric Range (Color: White)/Dishwasher	1465.1		$ 10,280.00	19,955.17	19,955.17	19,955.17	
	GE® 18 Cu. Ft. Top Mount Refrigerator (Color: White) ENERGY STAR®	1465.1		$ 12,302.40				
	Sofa, chair, table	1465.1						
	Total			$ 22,582.40	$ 19,955.17	$ 19,955.17	$ 19,955.17	

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Part II: Supporting Pages

PHA Name: Housing Authority of the County of Santa Clara

Grant Type and Number
Capital Fund Grant No.: CA39PO5950110
Replacement Housing Factor Grant No: N/A

Federal FY of Grant: 2010

Development Number Activities	General Description of Major Work Categories	Dev. Acct No	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
Operations	Public Housing operating expenses	1406						
			Total 1406					
Management	CFP Training	1408						
Improvements	Residential initiative computer training	1408						
	Computer Software	1408						
	Senior Housing Service Coordinator	1408						
			Total 1408					
Administration	Salaries & Benefits	1410		$ 54,966.60				
	Travel	1410						
	Recording Fees	1410						
			Total 1410	$ 54,966.60				

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PHA Name: Housing Authority of the County of Santa Clara

Grant Type and Number
Capital Fund Grant.: CA39PO5950110
Replacement Housing Factor Grant No: N/A

Federal FY of Grant: 2010

Development Number Activities	General Description of Major Work Categories	Dev. Acct No	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	
Fees and Costs	Consultant Fees	1430		-	$ 23,759.74	$ 23,759.74	$ 23,759.74	
	Architect/inspection fees	1430		-				
			Total 1430					
Nondwelling Equipment								
			Total 1475	$ 10,457.29				
Relocation	Relocation	1495						
			Total 1495					
Collaterization or Debt Service	Bond financing approved FY 2006	1501						
			Total 1501	$ 10,457.29	$ 23,759.74	$ 23,759.74	$ 23,759.74	

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Part III: Implementation Schedule for Capital Fund Financing Program

PHA Name: Housing Authority of the County of Santa Clara

Grant Type and Number
Capital Fund Grant No.: CA39PO5950110
Replacement Housing Factor Grant No.: N/A

Federal FY of Grant: 2010

Development Number Activities	All Fund Obligated (Quarter Ending Date)	All funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates
	Original Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
14/Eklund I/Eklund II	7/15/2012	7/15/2014		
16/Deborah	7/15/2012	7/15/2014		
	7/15/2012	7/15/2014		
HA-Wide	7/15/2012	7/15/2014		
	7/15/2012	7/15/2014		
Management Improvements	7/15/2012	7/15/2014		
Adminisration	7/15/2012	7/15/2014		
Audit	7/15/2012	7/15/2014		
Fees & Costs	7/15/2012	7/15/2014		
Nondwelling Equipment	7/15/2012	7/15/2014		
Relocation	7/15/2012	7/15/2014		

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