# Moving to Work (MTW)
# 2013 Annual Plan

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

**April 10, 2012**
**Revised June 29, 2012**

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

# Housing Authority of the County of Santa Clara (HACSC)

## Board of Commissioners

Bill Anderson, Chair

Kathy Espinoza-Howard, Vice Chair

Verna Hayden

John Scrempos

Denis O'Neal

Bena Chang

## Executive Director

Alex Sanchez

## Senior Management Team

Katherine Harasz, Deputy Executive Director

Louise Hofmeister, Director of Housing Programs

Vanessa Cooper, Director of Real Estate Services

Bakulesh Patel, Director of Finance

*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.*

## TABLE OF CONTENTS

# I. INTRODUCTION AND OVERVIEW

## Purpose of this Plan

This MTW Annual Plan describes how the Housing Authority of the County of Santa Clara and the Housing Authority of the City of San José (jointly operated agencies and hereafter referred to as HACSC) propose to carry out the Moving to Work (MTW) program in fiscal year 2013 (July 1, 2012 through June 30, 2013). This plan is required by the U.S. Department of Housing and Urban Development (HUD), and is the fifth plan prepared since HACSC signed a 10-year MTW Agreement with HUD in early 2008.

## What is HACSC and What Does it Provide?

Established as an independent local government agency in 1967 by the Santa Clara County Board of Supervisors, HACSC is one of over 3,000 public housing authorities nationwide. Its jurisdiction encompasses the heart of Silicon Valley and includes the county's estimated 1.8 million residents.

HACSC administers federal rental housing voucher programs and develops, controls, and manages affordable rental housing properties. These programs and properties are targeted to assist low, very low, and extremely low income households. Currently, HACSC directly or indirectly assists over 18,000 households across the county, about half of which are made up of senior citizens on fixed incomes.

## What is MTW?

MTW is a federal demonstration program, established by Congress in 1996, that links broad federal goals with locally-designed initiatives. It encourages selected housing authorities to propose and, upon HUD approval, implement innovative changes to the way affordable housing programs are administered in order to meet at least one the following three broad federal goals:

- Decrease administrative costs and increase cost effectiveness in housing program operations,
- Promote participants' economic self-sufficiency, and
- Expand participants' housing choices.

MTW requires HACSC to strive for these goals while ensuring that the Agency continues to serve substantially the same mix of tenants (in terms of income level and family size) and at least as many households as before it had MTW status.

## HACSC's MTW Achievements

In its first four years in the MTW demonstration, HACSC has focused on exploring programmatic reform opportunities and on designing and implementing activities to reduce administrative costs in its largest program, the Housing Choice Voucher (HCV) program.

Sixteen (16) of HACSC's twenty-three (23) HUD-approved MTW activities involve streamlining and simplifying the administration of the HCV program (including the Project Based Voucher program). These efficiencies remove or reduce tasks that add little program value without sacrificing program integrity. As described in HACSC's 2010 and 2011 MTW Reports, the implemented activities have produced and sustained a fifty percent reduction in key HCV program work tasks since the FY2008 baseline year. With the rapid and successful implementation of these new approaches, HACSC was able to improve and increase staff training programs, address the need for more extensive and ongoing quality control and provide greater focus on customer service and education, generating positive feedback from both tenants and property owners. The initiatives, combined with other business process changes, and implemented in tandem with a new, more efficient Section 8 software program have provided the flexibility to create activities that increase the potential self-sufficiency of current participants, maintain and increase the affordable housing stock in the county and improve the overall effectiveness of the agency.

Another significant MTW activity is the locally-designed direct voucher referral program, which provides vouchers to the chronically homeless. Launched in October 2010, the "Chronically Homeless Direct Referral Program" (CHDR) introduced an unprecedented collaboration between HACSC, local government, and local service providers. CHDR initiated a County-wide process for timely direct referrals of homeless families and individual with case management provided along with a permanent housing voucher subsidy. Through the ongoing coordination of partner agencies the 200 vouchers allocated to the CHDR program were fully utilized with a total of 317 chronically homeless individuals finding and maintaining secure and stable housing. With receipt of the calendar year (CY) 2012 HUD budget (March 2, 2012), HACSC has determined that it will be possible to allocate 30% of the vouchers that turnover in CY2012 to the homeless in our community, not to exceed 100 vouchers in CY2012. With this allocation, HACSC looks forward to continuing to work with our community partners and supportive service providers to serve the chronically homeless population while building on the successes and lessons learned from the CHDR program. HACSC continues to participate in Destination: Home and the Santa Clara County Collaborative on Housing and Homeless Issues (The Collaborative) with an eye out for opportunities to direct funds or services toward the chronically homeless. HACSC will continue to administer our VASH and Shelter Plus Care programs which exclusively address homeless families and individuals, including veterans and the severely mentally ill.

During the past three years, as a result of several MTW activities, HACSC's Real Estate Services has preserved and upgraded 555 units of affordable housing and converted 535 of 555 former public housing into tax credit housing. In doing so, HACSC has leveraged over $120 million dollars in private and public funds to complete structural, mechanical, and interior upgrades, including energy efficiency measures and has thus extended affordability an additional 55 years. These units remain accessible to extremely low income households thanks to project based vouchers allocated under MTW activities 2009-10 and 2009-11. Each of these projects was successfully preleased prior to the end of construction, as a result of MTW activity 2009-9 which enabled tenants to be income certified just once. Residency at these properties is stable and is expected to remain so, in part due to MTW activity 2012-2.

In FY2012, the Agency's real estate services completed a change of property management agent. HACSC now uses external property management companies and this has led to significantly improved cash flow at the properties. In most cases this cash flow is enough to pay for new resident services contracted to all sites in FY2012. These services which include after school programs, economic self sufficiency classes, and health and welfare classes for seniors are particularly important during these tough economic times. At some sites these services are also funded, in part, by MTW activity 2012-5.

In 2012 HACSC issued a Request For Proposals (RFP) for investment in affordable housing and has selected a project that, if successful in applying for tax credits will bring 78 new units of affordable housing to San José, including units for extremely low income families and the homeless/mentally ill. This project was made possible through MTW activity 2012-3 and HACSC's revised Attachment D, which includes Local Non-Traditional Use of Funds authorities.

Additional information on the current implementation status of each of HACSC's ongoing MTW activities is provided briefly in Section VI of this annual plan; significant technical details about each activity's purpose and status through June 2011 can be found in the 2011 MTW Annual Report, which was approved by HUD in January 2012.

## HACSC's Proposed MTW Activity for Fiscal Year 2013

In the course of preparing this MTW Plan, HACSC engaged in discussions with our community partners regarding broad based rent reform. Through our community engagement process, it became clear that further exploration and discussion will be necessary to design a rent reform approach that meets MTW objectives while responding to local conditions and community needs. HACSC will continue to explore options for rent reform throughout 2013.

In continuing to address administrative streamlining and refining operations, HACSC proposes to launch one new MTW activity in FY2013. If approved, this activity will benefit current and future program participants, and will better position HACSC for continued progress.

Proposed Activity 1 – Elimination of the earned income disallowance (EID) calculation will further increase HACSC's ability to clarify program policies for current participants and concurrently generate additional efficiency in the HCV program. Due to other MTW activities already implemented, program participants who may be eligible for the EID calculation are already realizing the savings potential, thereby rendering the EID calculation redundant.

Section V of this Plan describes this activity in more detail. The table at the end of this overview lists all of HACSC's approved and proposed MTW activities, indicates whether the activity is now being proposed or has already been implemented, and identifies the MTW statutory objective(s) (federal goal) each activity addresses.

Concurrent with this Annual Plan, HACSC is submitting a request to HUD to incorporate VASH and Mainstream programs under our MTW umbrella, thus extending the advantages of streamlined processing to those participants.

## HACSC's Long-term Vision and Non-MTW Initiatives

HACSC's long-term goals under MTW are outlined in Section IV. They focus on running a financially sound agency with cost-effective, data-driven programs; addressing the challenges of a high-cost housing market by preserving and increasing the supply of affordable housing; serving more needy households; and, where appropriate, helping current participants to reduce their dependency on housing subsidies. In all its operations, HACSC is working toward being a model for the innovative use of leveraged funds and community partnerships.

To advance these goals over the next several years, HACSC intends to use its MTW funds to acquire, construct and rehabilitate housing properties, and to allocate project-based vouchers to properties as appropriate and necessary to ensure the properties' long-term viability. Data from the Needs Assessment commissioned by HACSC shows a need for almost 31,000 affordable units for extremely low income households in Santa Clara County. Because of the notably low vacancy rates currently experienced in the county (about 3.3% in September 2011), providing housing vouchers can address only some of the need; more housing must be built, older affordable properties must be renovated and at-risk properties must be preserved.

Because HACSC's vouchers are 100% leased up, HACSC is also using the results of the Needs Assessment, along with current and on-going analysis of the Santa Clara rental market, employment and population trends, to inform the agency as to how to best position itself to respond to future community needs. The preliminary results of Needs Assessment have been useful in framing the possibilities for targeted tenant self-sufficiency and other supportive tenant programs that recognize the needs of elderly, disabled and special needs participants and the characteristically high-cost housing market of Silicon Valley.

Section III of this report provides some highlights of HACSC initiatives that do not require MTW waivers from HUD or are administered outside the MTW umbrella. While implementing major MTW activities in the HCV program over the past three years, HACSC also successfully launched several special-purpose federal voucher programs, including those that serve veterans, foster youth, and the disabled. Each of these programs requires significant inter-agency coordination and planning; HACSC expects to continue administering these programs in FY2013, dependent upon funding availability.

HACSC is continuing to improve its Section 8 program administration and data tracking through the replacement of its Section 8 program software. Prior to the launch of the new software in February 2012, HACSC converted over a million pieces of data to the new system, completed six different quality control sessions to insure data integrity and provided nine weeks of staff training on the various database functions. In concert with the new software program, HACSC implemented a re-structuring of its business processes to better align with the new database and increase day to day workflow efficiencies.

Finally, HACSC expects to complete the final phase of public housing disposition, a total of 555 units, by the end of FY2012 and has transitioned the day-to-day management of its properties to third-party property management. As of the writing of this Annual Plan, there are twenty (20) remaining public housing units.

## OVERVIEW OF HACSC'S MTW ACTIVITIES

| | | *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 ACTIVITIES** | | | | |
| 2009-1 | Reduced Frequency of Tenant Reexaminations | X | | |
| 2009-2 | Expediting the Initial Eligibility Income Verification Process | X | | |
| 2009-3 | Reduced Frequency of Inspections | X | | |
| 2009-4 | Timeline to Correct Housing Quality Standards (HQS) Deficiencies | X | | |
| 2009-5 | Exploring New Housing Opportunities for the Chronically Homeless | | | 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 | | |
| 2009-10 | Selection of HACSC-owned Public Housing Projects for PBV without Competition | X | | |
| 2009-11 | Project-Base 100% of Units in Family Projects | X | | X |
| 2009-13 | Combined Waiting Lists for the County of Santa Clara and the City of San Jose | 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 | X | |
| 2010-3 | Applying Current Increased Payment Standards at Interim Reexaminations | X | | X |
| 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 – HCV | | | X |

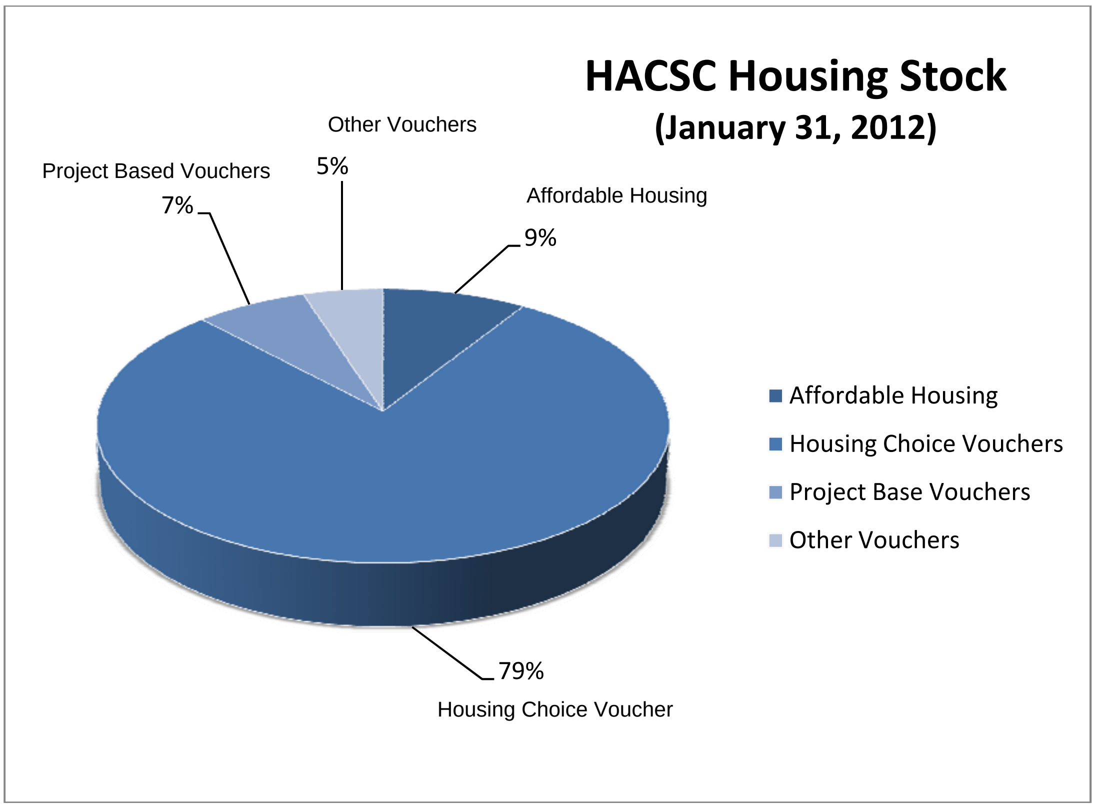
| | | *MTW Statutory Objectives* | | |
|---|---|---|---|---|
| *Activity # (Plan year proposed + Activity #)* | *Activity* | *Reduce cost and achieve greater cost effectiveness in federal expenditures* | *Provide incentives to families ... leading toward economic self-sufficiency* | *Increase housing choices for low-income families* |
| 2011-2 | Simplify requirements regarding third-party inspections and rent services | X | | |
| 2012-1 | Standard utility allowance – HCV | X | | |
| 2012-2 | Two-year minimum PBV stay | X | | X |
| 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 | |
| **PROPOSED ACTIVITES** | | | | |
| | | | | |
| 2013-1 | Elimination of the Earned Income Disallowance (EID) calculation | X | | |

Note: Obsolete activities 2009-6, 2009-7, and 2009-12 are not shown.

# II. GENERAL HACSC OPERATING INFORMATION

This section provides information about the types and number of HACSC's housing units and vouchers, the anticipated number of units to be leased in FY2013, and any changes anticipated for the Agency's waiting lists.

HACSC provides over 17,000 low-income families with rental assistance through the Housing Choice Voucher (HCV), Project Based Voucher (PBV), Mainstream, Veterans Affairs Supportive Housing (VASH), Moderate Rehabilitation, Family Unification Program (FUP), Non-Elderly Disabled Vouchers (NED), and Shelter Plus Care (S+C) programs. The 20 public housing units that remain in HACSC's portfolio are expected to have disposition completed by the end of 2012.




## A. HOUSING STOCK INFORMATION

**Public Housing Units and Planned Capital Expenditures:**

Within FY2013, approximately $400,000 of public housing capital funds (which include prior year grant funds) will be spent for capital improvements at CA059000006. Kitchen cabinets will be replaced at sixteen (16) units and concrete walks and driveways will be replaced at four (4) units.

HACSC was granted HUD approval on September 26, 2007, for the disposition of its 555 public housing units, and HUD's final approval for disposition of the last 20 public housing units is expected to be completed in FY2012. Through the disposition, HACSC has improved supportive services for the residents of all of the 555 rehabilitated units.

Due to the small size of the property, 20 units (on three sites within CA059000006) were not included within the tax credit transaction that transferred ownership of the 535 units. Operation of the 20 remaining public housing units creates a financial and administrative burden to HACSC and HACSC is working with the Special Applications Center (SAC) to dispose of these remaining units.

In FY2009, 200 public housing units were transferred to a tax-credit limited partnership managed by a HACSC affiliate. In FY2011 HACSC transferred ownership of an additional 335 public housing units to a tax-credit limited partnership managed by an HACSC affiliate and a $48 million dollar renovation was completed in FY2012. Properties previously developed as tax credit or other types of units will be substantially rehabilitated as warranted based on Comprehensive Needs Assessments.

**MTW Housing Choice Voucher Units Authorized: 16,613**

| PROGRAM | AUTHORIZED UNITS |
|---|---|
| Tenant-Based HCV | 15,331 |
| Project Based Voucher | 1,282 |
| **Total** | **16,613** |

**Non-MTW Housing Choice Voucher Units Authorized: 887**

| PROGRAM | AUTHORIZED UNITS |
|---|---|
| Mainstream | 53 |
| FUP | 100 |
| NED | 10 |
| VASH | 435 |
| Moderate Rehabilitation | 93 |
| S+C | 196 |
| **Total** | **887** |

**Non-MTW / Non-Voucher Local Housing Program: 15**

| PROGRAM | AUTHORIZED UNITS |
|---|---|
| TBRA | 15 |
| **Total** | **15** |

**Number of HCV Units to be Project-Based:**

During FY2012, HACSC anticipates that it will have completed project-basing 208 of its previously committed tenant-based vouchers: 93 vouchers to Fair Oaks Senior Housing; 25 vouchers to Kings Crossing Apartments; 87 project based vouchers conditionally awarded in FY2011 to house special needs populations, such as the elderly, the homeless and persons with disabilities; and 3 vouchers to a HACSC-controlled project, Seifert House.

HACSC expects that the three remaining public housing properties, Deborah Drive, Eklund I, and Eklund II will be project-based in FY2013.

In accordance with MTW Activity 2010-4, 565 of HACSC's tenant-based vouchers are expected to be project-based starting FY2013 through FY2016 for preservation of HACSC and affiliate-owned affordable housing projects. Below is a list of the projects and their locations:

1. Huff Gardens, San Jose
2. Helzer Courts Apartments, San Jose
3. Blossom River Apartments, San Jose
4. Poco Way Apartments, San Jose
5. Park Ave, San Jose

| Name of Project | Location of Project | Number of Project Based Vouchers | Type of complex |
|---|---|---|---|
| Park Avenue | San Jose | 118 | New Construction (Senior) |
| Poco Way | San Jose | 117 | 129 Tax credit units (Family) |
| Huff Gardens | San Jose | 35 | 72 Tax credit units (Family) |
| Blossom River | San Jose | 142 | 144 Tax credit units (Family) |
| Helzer Courts | San Jose | 153 | 133 Tax credit units (Family) |

**Other Housing Owned by HACSC and Affiliates**

Tables 1 through 3, lists affordable housing properties that are currently owned by HACSC or a partnership, which includes HACSC as an affiliated party. All are managed by a third-party property management firm.

**Table 1: Senior Tax Credit Housing**

| Name of Project | Location of Project | Number of Units |
|---|---|---|
| Avenida Espana Gardens | San Jose | 84 |
| Bracher Senior Apartments | Santa Clara | 72 |
| Cypress Gardens*† | San Jose | 125 |
| DeRose Gardens | San Jose | 76 |

| | | |
|---|---|---|
| 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:** | **1,028** |

***These properties also include non-elderly disabled.**
**†These properties include Project Based Vouchers or Project Based Assistance**

### Table 2: Family Tax Credit Housing

| Name of Project | Location of Project | Number of Units |
|---|---|---|
| Blossom River Apts. | San Jose | 144 |
| El Parador | San Jose | 125 |
| 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 Apartments† | San Jose | 129 |
| RiverTown Apartments | Santa Clara | 100 |
| San Pedro Gardens | Morgan Hill | 20 |
| The Willows | San Jose | 47 |
| | **TOTAL** | **990** |

**†These properties include Project-Based Vouchers or Project Based Assistance**

### Table 3: Public and Other HUD Assisted Housing

| Name of Project | Location of Project | Number of Units |
|---|---|---|
| Arturo Ochoa Migrant Center | Gilroy | 100 |
| Villa Garcia Apartments (HUD 236, Section 8 PBA) | San Jose | 80 |
| Villa San Pedro (HUD 221(d)3, CHRP, Section 8 PBA) | San Jose | 100 |
| Seifert House† | San Jose | 3 |

| | | |
|---|---|---|
| Deborah Drive** | Santa Clara | 4 |
| Eklund I Apartments** | Santa Clara | 10 |
| Eklund II Apartments** | Santa Clara | 6 |
| | **Total** | **303** |

**†These properties include Project Based Vouchers or Project Based Assistance**
****These properties are Public Housing units until final disposition and will then have Project Based Vouchers**

## B. PLANNED LEASING INFORMATION

All 20 public housing units are fully leased and have remained so for the last year. HACSC intends to keep them fully leased until the transfer of ownership.

HACSC will continue to meet or exceed 100% lease up of its Housing Choice Voucher program in FY2013. HACSC anticipates no difficulties in maintaining full lease-up of its vouchers. However, due to historically low voucher turnover rates in FY2010 - FY2011 that are predicted to continue through FY2012, the Agency expects continued over-leasing during FY2013.

Over leasing has allowed HACSC to meet multiple program commitments including vouchers for the chronically homeless, for project-basing HACSC-owned and other units, and for the thousands of applicants on the HCV waiting-list. Given the uncertainties of funding, HACSC will be closely monitoring all the variables affecting our lease-up rate along with evaluating other factors related to realizing Housing Assistance Payment (HAP) savings.

In FY2013, due to prior commitments for Project-based vouchers and continued projections for low turnover, HACSC anticipates leasing approximately 102% of its baseline of 16,613 MTW vouchers for a total of 16,946 MTW vouchers. The Agency plans to fund this activity through its accumulated MTW reserve fund while continuing to evaluate the sustainability of this position. While HACSC is mindful of the extreme needs for housing assistance in Santa Clara County, given the current financial constraints and in order to maintain the viability of the program overall, HACSC does not have the ability to allocate vouchers to special programs at this time.

HACSC does not plan on over-leasing its Non-MTW vouchers and anticipates 100% lease-up of these 887 vouchers.

## C. WAITING LIST INFORMATION

As a result of its MTW authority for Activity 2009-13, HACSC maintains combined waiting lists between the Housing Authority of the County of Santa Clara (CA059) and the Housing Authority of the City of San José (CA056). As part of the transition from Public Housing to Project Based Voucher and tax-credit properties, the Public Housing Waiting List has been nearly fully absorbed. HACSC currently has six additional waiting lists: site-based waiting lists for its three formerly senior public housing properties and waiting lists for its HCV, PBV, and Moderate Rehabilitation programs.

The Agency does not anticipate any major changes in the number of families served from the HCV and PBV waiting lists compared to previous years. HACSC updated its Housing Choice Voucher waiting list to ensure current information and interest. The waiting lists are currently closed and HACSC does not anticipate opening or making any additional changes to how it manages its waiting lists during FY2013.

# III. NON-MTW RELATED HACSC INFORMATION

HACSC will continue in FY2013 to carry out several initiatives that do not require MTW waivers but that complement and support the Agency's overall MTW approach: striving to run a cost-effective, data-driven organization that meets the varied needs of low-income households in the community. Notable among these ongoing initiatives are:

**Finding ways to serve traditionally under-served populations in the Section 8 and Section 9 programs, often through partnerships.** To achieve this, HACSC has:

1. Developed a successful collaboration with the Veterans Administration in administering the Veterans Affairs Supportive Housing (VASH) program. As of March 2012:
   - 343 homeless veterans were housed with VASH vouchers
   - 83 homeless veterans were issued vouchers (pending lease-up)
   - HACSC recently received HUD notification of a new award of 100 VASH vouchers and will start the lease-up process when vouchers are issued sometime in Spring, 2012

2. Allocated vouchers in past years to support the housing needs of chronically homeless families in Santa Clara County:
   - From 2008-2011, a total of 732 chronically homes families have been assisted through the voucher program
   - In FY2011, 200 families from the chronically homeless direct referral program (MTW activity 2009-5) were housed
   - 1,150 chronically homeless *individuals* from these families are now in secure and stable housing

3. Partnered with the County Department of Family and Children's Services in implementing the 100 voucher Family Unification Program. As of February 2012:
   - 99 families were housed; 1 family is pending lease-up
   - 117 children were reunited with their families
   - 87 children had been at risk of removal when the family received a voucher

4. Contracted with the City of Sunnyvale to administer their Tenant Based Rental Assistance Program (TBRA) for low-income residents of the city. As of February 2012:
   - 9 families were housed and attending job training programs
   - 2 families have been issued vouchers (pending lease up)

5. Partnered with the Silicon Valley Independent Living Center to implement the 10 vouchers awarded to HACSC for non-elderly disabled individuals transitioning out of institutional care. As of February 2012:
   - 7 families were housed
   - 1 family has been issued a voucher and is pending lease up
   - 2 families pending initial eligibility

6. 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.

**Improving Section 8 program administration and data tracking.** To meet the Agency's continued needs for a more robust means of storing and accessing program information, HACSC has:

1. Implemented a new software system, February 2012, that will lend itself to streamlining processes and supporting the research required for each MTW initiative

2. Conducted a business process review that is streamlining processes in conjunction with the new software implementation

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

**Preserving and managing housing sites.** HACSC is in the midst of taking several planned steps to strengthen the financial position of its properties for the long-term, including:

1. Property management transition – shifting the day-to-day management of all HACSC and affiliate properties to third-party property management, thereby reducing costs and improving cash flow at the sites and allowing for better preservation of affordable housing for the long term. As of January, 2012, 1773 units (76% of the portfolio) have transitioned to third-party management. By June 2012, all HACSC or affiliate-owned properties are anticipated to be managed by third-party providers. In FY2012, all properties were able to operate with a positive cash flow due to reduced costs, which indicates significantly improved efficiency. Further analysis will continue as the transition is complete.

2. Public housing disposition – nearing completion of the conversion of HACSC's public housing sites to tax credit limited partnerships (all but 20 units) and project-based vouchers, and providing resident services at these sites.

3. Asset management of tax credit sites – beginning a long range study of the capital and operating needs of HACSC's tax credit portfolio in an effort to preserve this housing for the long term and to plan for property buy-outs, refinancing, and rehabilitation. To date, three properties have been bought out from the tax-credit limited partnership. Over the next two years, HACSC intends to acquire five more properties. Additionally, tax credit syndication is expected to allow for the substantial rehabilitation of two other properties that were originally developed without tax credits.

# IV. LONG-TERM MTW PLAN

HACSC's long-term plans under MTW involve initiatives that will address one or more of the following strategic goals:

1. Preserving affordable rental housing for the long-term.

2. Increasing the supply of affordable rental housing for the long-term.

3. Serving more needy households over time by continuing to implement cost efficiencies in voucher program administration and by exploring ways to create self-sufficiency incentives through simplification and restructuring of rent policies.

4. Exploring, expanding, and linking to services that can help tenants in various ways, and cultivating effective partnerships with local service providers to make this possible.

5. Understanding and addressing the special needs for housing assistance of different types of households, including the veterans, the chronically homeless, fixed-income seniors and disabled persons, victims of domestic violence, etc.

6. Being a data-driven organization: Using data and program experience to inform strategic decisions about program design and re-design, as well as about spending and investment priorities.

7. Ensuring the long-term fiscal health of the Agency and of its properties.

To advance these goals in FY2013 and beyond, HACSC intends to acquire and develop or rehabilitate affordable housing properties throughout the county, and anticipates allocating project-based vouchers to some properties to better ensure their long-term viability. HACSC will also be expanding the range and types of services it provides, either directly or indirectly, to tenants.

HACSC will use the results of a Needs Assessment conducted in FY2012 along with current and on-going community research to inform its future MTW and non-MTW initiatives. Moreover, HACSC continues to remain committed to exploring and testing rent reform and alternate rent strategies which will incentivize tenant self-sufficiency.

# V. PROPOSED MTW ACTIVITIES (HUD Approval Requested)

This section describes the new MTW activity that HACSC is proposing to implement in FY2013.

## Eliminate the Earned Income Disallowance (EID) Calculation – Housing Choice Voucher (HCV) Program (Proposed Activity #2013-1)

**DESCRIPTION OF MTW ACTIVITY**

HUD regulations specify that an assisted family is eligible for an Earned Income Disallowance (EID) when an unemployed or under-employed family member with disabilities obtains a job or increases their wages. Any income increases attributable to the employment of the person with disabilities are fully excluded from the family's HCV income calculations for a 12 month period and are 50% excluded from calculations for the following 12 months. All earned income increases are then fully included in rent calculations following the 24-month phase-in period. EID also allows that if there are periods of unemployment after EID has started, the full or partial exclusion of wages may be allowed for a maximum time limit of 48 consecutive months.

HACSC is proposing to eliminate the HUD- mandated Earned Income Disallowance (EID) calculation. HACSC currently has a policy to not calculate income increases between regular reexaminations (which occur biennially or triennially for MTW families). This policy allows all families to benefit from increases in income that occur between their regular reexaminations, which can be up to three years away in some cases. In addition, the requirements for EID are very specific and significantly limit those persons with disabilities who may be eligible for the allowance. The infrequent application of the EID calculation becomes negligible when applied under HACSC's current guidelines which exclude calculation of increases from income between re-exams which, for EID-eligible households are usually conducted once every three years. Once eligible, the tracking of EID and the process to exclude all or half of the earned income increases for a specific period of time can be very complicated, time-consuming to administer and prone to error.

**RELATION TO STATUTORY OBJECTIVES**

This activity addresses the statutory objective of achieving greater cost effectiveness in federal expenditures by:

- Eliminating an additional calculation and tracking system; and
- Reducing staff time needed to calculate an individual participant's income and EID exclusions

**ANTICIPATED IMPACT OF THE ACTIVITY**

This activity will decrease the staff time required to calculate a family's rent portion and will reduce the likelihood of errors associated with calculating potential income exclusions. These time savings will allow staff to provide higher quality, one-on-one service to families. The policy will also be easier for program participants to understand. HACSC does not anticipate any participants to be adversely affected by this activity as most eligible individuals are already realizing any potential savings through HACSC's alternate reexamination schedule and interim policies.

**PROPOSED BASELINES, BENCHMARKS, METRICS and DATA COLLECTION**

Data related to this activity will be collected and retrieved at least annually from the Agency's software database. As this activity is implemented, HACSC may revise the activity's metrics and further quantify and refine its performance baselines and benchmarks.

| **Activity 2013-1: Elimination of the Earned Income Disregard (EID)** | | |
|---|---|---|
| **Metrics** | **Baselines (FY2011)*** | **Benchmarks (annual)** |
| The number of participants eligible to receive the EID calculation | 10 households received the EID calculation | 0 households will receive the EID calculation |
| Staff time spend tracking and calculating EID calculation | 15 hours tracking and calculating EID for 10 households (1.5 hours per eligible family) | 0 hours tracking and calculating EID |

**AUTHORIZATION FOR THE ACTIVITY**

The proposed activity is authorized in HACSM's MTW Agreement, Attachment C, Paragraph D (1) (a) and D (2) (a) and waives certain provisions of Section 8(o)(I), 8(o)2, 8(o)3, 8 (o)(7), 8(o)10 and 8(o)(13)(H)-(I) of the US Housing Act of 1937 and 24CFR 982.508, 982.503, and 982.518 as necessary to implement HACSC's MTW Plan.

**RENT REFORM IMPACT ANALYSIS AND IMPLEMENTATION PLAN**

Because this activity potentially changes the way rent is calculated for a participant's household, it qualifies as a rent reform initiative. The ten families currently being tracked for EID exclusion will not be affected by this activity—they will continue to be tracked and receive the income exclusion under the current HUD calculation method. All families will be notified of the change in policy at the time of their next regular reexamination (HACSC will continue to follow its current policy of not calculating income increases between regular reexaminations).

As part of the notification process, families will be informed of their option to request a hardship to the activity in writing at the time of their regular reexamination. If the family (including the disabled member) were program participants prior to July 1, 2012, and have a family member with disabilities who is eligible for the EID exclusion per HUD regulations, and who has been working for less than one year and the increase in their earned income results in a $25 or more increase to the family's monthly adjusted income, the family will be approved for a hardship. Approved hardship cases will receive a 100% exclusion of the affected member's earned income until the family's next regular reexamination. Because of HACSC's alternate reexamination schedule, this will result in the family receiving a longer period of exclusion and a higher exclusion (100% exclusion for at least 24-36 months) than they would under HUD's current calculation method. HACSC will track the number of hardship cases requested and approved and will report on them annually.

This activity was made available for public review and included as a proposed activity in the public hearing held for the FY2013 MTW Annual Plan (see Appendix Two of this Plan). HACSC's Board of Commissioners approved the activity as a part of its approval of the MTW Plan.

# VI. ONGOING MTW ACTIVITIES (HUD Approval Previously Granted)

To date, HACSC has had twenty-six (26) activities approved by HUD. Of these, three (3) were dropped as obsolete. HACSC's MTW activities thus far have focused primarily on administrative streamlining and increasing housing choices for program participants.

The table that follows lists the previously approved activities, indicates when they were approved, and briefly describes their implementation status as of April 2012. Detailed descriptions of these activities can be found in the Annual Plan for the corresponding year in which they were proposed. The impacts of implemented activities are described in detail in HACSC's FY2009, FY2010, and FY2011 MTW Annual Reports.

HACSC has not used outside evaluators to review the impact of its MTW activities, but may elect to do so in the future.

| *Activity #* | *Activity Name* | *Implementation Status* |
|---|---|---|
| 2009-1 | Reduced Frequency of Tenant Reexaminations | Implemented in FY2009 and continuing. |
| 2009-2 | Expediting Initial Eligibility Income Verification Process | Implemented in FY2009 and continuing. |
| 2009-3 | Reduced Frequency of Inspections | Implemented in FY2009 and continuing. |
| 2009-4 | Timeline to Correct Housing Quality Standards (HQS) Deficiencies | Fully implemented in FY2011and continuing, including companion policy of allowing owner self-certification (non-MTW activity). |
| 2009-5 | Exploring New Housing Opportunities for the Chronically Homeless | Implemented in FY2010 and continuing. |
| 2009-8 | 30-Day Referral Process for Project-Based Vacancies | Policy implemented in FY2010. The Activity was fully implemented in FY2011. |
| 2009-9 | Utilization of Low Income Housing Tax Credit (LIHTC) Tenant Income Certification (TIC) for Income and Asset Verification | Implemented in early FY2010. |
| 2009-10 | Selection of HACSC-owned Public Housing Projects for PBV without Competition | Implemented for seven former public housing projects that were disposed of and entered a PBV HAP contract as existing housing inFY2009 and FY2011. The activity will also be used in the disposition of HACSC's remaining three public housing projects planned for FY2012. |
| 2009-11 | Project-Base 100% of Units in Family Projects | Implementation started in FY2010 and continuing. |

| ***Activity #*** | ***Activity Name*** | ***Implementation Status*** |
|---|---|---|
| 2009-13 | Combined Waiting Lists for the County of Santa Clara and the City of San Jose | Implemented in FY2009 and continuing. |
| 2009-14 | Payment Standard Changes Between Regular Reexaminations | Implemented in March 2010 and continuing. |
| 2010-1 | Eliminating 100% Excluded Income from the Income Calculation Process | Implemented in March 2010 and continuing. |
| 2010-2 | Excluding Asset Income from Income Calculations for Families with Assets Under $50,000 | Implemented in March 2010 and continuing. |
| 2010-3 | Applying Current Increased Payment Standards at Interim Reexaminations | Implemented in March 2010 and continuing. |
| 2010-4 | Allocating Project-Based Vouchers to HACSC-owned Projects Without Competition | Policy implemented in FY2010. To date there has not been a need to use this waiver. This activity covers properties owned directly by HACSC or indirectly (through HACSC affiliates) as allowable by Section D.7. of Attachment C of HACSC's MTW Agreement. |
| 2010-5 | Assisting Over-Income Families Residing at HACSC-owned Project-Based Voucher Properties | Policy implemented in FY2010. To date there has not been a need to use this waiver – no families have exceeded the income threshold. |
| 2011-1 | Streamlined approval process for exception payment standard for reasonable accommodation – HCV | Policy implemented in the third quarter of FY2011 and continuing. |
| 2011-2 | Simplify requirements regarding third-party inspections and rent services | Policy implemented in FY2011. To date there has not been a need to use this waiver. |
| 2012-1 | Create standard utility allowance schedule – Housing Choice Voucher Program | HACSC is continuing to analyze the implementation of this activity. |
| 2012-2 | Two-year occupancy in project-based unit before eligible to receive voucher | Policy implemented in FY2012. |

| *Activity #* | *Activity Name* | *Implementation Status* |
|---|---|---|
| 2012-3 | Create affordable housing acquisition and development fund | Affordable Housing Acquisition and Development Fund of up to $15,000,000 was approved by Board of Commissioners action on March 22, 2011. A Request for Proposals was issued in April, 2011 and 10 responses were received. Four proposals were short listed for further consideration. One proposal was approved by the Board to receive a loan of up to $6.5 million dollars to develop 75 housing units. Additional Board approved activities include pre-development loans to three development projects: Park Avenue (120 senior units, $500,000); Villa Garcia (80 family units, $1,000,000); and, Villa San Pedro (100 family units, $800,000). |
| 2012-4 | Create affordable housing preservation fund for HACSC- and affiliate-owned properties | A portion of the proceeds received when funds are loaned to MTW activities will be re-used for this purpose. |
| 2012-5 | Expand tenant services at HACSC- or affiliate-owned affordable housing properties | Resident services are provided at Section 8 and non-Section 8 units. All sites receive services including educational programs for children and adults, career and resume support, tax preparation, and social support services. In FY2013, $115,000 of MTW funding has been budgeted for this purpose. |

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.

# VII. SOURCES AND USES OF FUNDING

Note: The figures provided in this section are estimates as of June, 2012 and may be revised as part of HACSC's annual budget preparation process.

## A. SOURCES AND USES OF MTW FUNDS

### A1. SOURCES AND USES OF MTW FUNDS- Traditional Activities

| FY 2013 Planned Sources | Public Housing | Section 8-MTW | MTW Consolidated |
|---|---|---|---|
| Rental Revenue | 84,624 | | 84,624 |
| Section 8 HAP Funding | | 240,362,350 | 240,362,350 |
| Administrative Fee | | 16,035,308 | 16,035,308 |
| PH Operating Subsidy | 36,765 | | 36,765 |
| Capital Grant Program (CGP) | 250,000 | | 250,000 |
| Other Revenue (Laundry) | 720 | | 720 |
| Other Revenue (Interest income) | | 34,248 | 34,248 |
| *Operating Revenues Sources* | ***372,109*** | ***256,431,906*** | ***256,804,015*** |
| Non Operating Revenue (Land Lease) | | *130,039* | *130,039* |
| *Total Sources (Before Transfers)* | ***372,109*** | ***256,561,945*** | ***256,934,054*** |
| Transfer Fr. MTW PH Operating Reserves | 17,413 | | 17,413 |
| Transfer Fr. MTW Reserve * | | 3,896,474 | 3,896,474 |
| **Total Planned Sources** | **$389,522** | **$260,458,419** | **$260,847,941** |

| FY 2013 Planned Expenditures | Public Housing | Section 8-MTW | MTW Consolidated |
|---|---|---|---|
| Tenant Services | 9,057 | | 9,057 |
| Maintenance & Operations | 14,244 | | 14,244 |
| Utilities | 17,227 | | 17,227 |
| Contract Costs & Protective Services | 36,027 | | 36,027 |
| General (operational and administrative expenses) | 62,967 | 16,635,219 | 16,698,186 |
| CGP administrative expenses & Operational | 250,000 | | 250,000 |
| *Total Operational Expenses* | ***389,522*** | ***16,635,219*** | ***17,024,741*** |
| Housing Assistance Payments | | 243,823,200 | 243,823,200 |
| **Total Planned Expenditures** | **$389,522** | **$260,458,419** | **$260,847,941** |

*HACSC senior leadership, in collaboration with the Board of Commissioners, believes that MTW reserve funding is adequate to meet projected demands and will continue to closely monitor funding.

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

| FY 2013 Planned Sources | RHF Grants ** | 2012-3 ACQ. & Dev. Fund * | 2012-4 Preservation Fund * | 2012-5 Tenant Services * | Total |
|---|---|---|---|---|---|
| Grants | 1,218,262 | | | | 1,218,262 |
| Transfer Fr. MTW Reserve**** | | | | 115,000 | |
| Transfer Fr. MTW - Acq and Dev. Reserve*** | | 8,800,000 | 0 | | 8,800,000 |
| **Total Planned Sources** | **$1,218,262** | **$8,800,000** | **$0** | **$115,000** | **$10,018,262** |

| FY 2013 Planned Expenditures | RHF Grants | 2012-3 ACQ. & Dev. Fund | 2012-4 Preservation Fund * | 2012-5 Tenant Services | Total |
|---|---|---|---|---|---|
| Transfer to RHF Reserves. ** | 1,218,262 | | | | 1,218,262 |
| Resident Services * | | | | 115,000 | 115,000 |
| 2012-3 - Acquisition and Development Fund * | | 8,800,000 | | | 8,800,000 |
| **Total Planned Expenditures** | **$1,218,262** | **$8,800,000** | **$0** | **$115,000** | **$10,133,262** |

* Refer to Section VI- ONGOING MTW ACTIVITIES (Implementation Status), page 27-29.
** These funds will not be expended in FY 2013, but will be accumulated for future application.
*** Specific $15m Development and Acquisition Reserve was set up in June 2011 from MTW reserve funds for these applications.
**** HACSC senior leadership, in collaboration with the Board of Commissioners, believes that MTW reserve funding is adequate to meet projected demands and will continue to closely monitor funding.

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

B1. SOURCES AND USES OF NON-MTW FEDERAL FUNDS

| FY2013 Planned Sources | Mod Rehab | Shelter Plus Care | Section 8, Non-Elderly & Disabled (N.E.D) | Section 8 VASH | Section 8 Main-stream | Section 8 FUP | Total |
|---|---|---|---|---|---|---|---|
| Section 8 Subsidy | 1,217,287 | 3,613,805 | 118,873 | 4,789,174 | 745,173 | 1,921,724 | 12,406,036 |
| Transfer Fr. VASH Reserve | | | | 1,848,463 | | | 1,848,463 |
| Transfer Fr. Mod Rehab Reserve | | | | | | | 0 |
| Other Revenue | | | | | | | 0 |
| **Total Planned Sources** | **$1,217,287** | **$3,613,805** | **$118,873** | **$6,637,637** | **$745,173** | **$1,921,724** | **$14,254,499** |

| FY2013 Planned Uses | Mod Rehab | Shelter Plus Care | Section 8, Non-Elderly & Disabled (N.E.D) | Section 8 VASH | Section 8 Mainstream | Section 8 FUP | Total |
|---|---|---|---|---|---|---|---|
| Housing Assistance Payments | 1,098,912 | 3,366,996 | 108,562 | 6,189,105 | 677,712 | 1,818,613 | 13,259,900 |
| Utilities | | | | | | | 0 |
| Maintenance | | | | | | | 0 |
| Administrative & Operational Expenses | 118,375 | 246,809 | 10,311 | 448,532 | 67,461 | 103,111 | 994,599 |
| **Total Planned Expenditures** | **$1,217,287** | **$3,613,805** | **$118,873** | **$6,637,637** | **$745,173** | **$1,921,724** | **$14,254,499** |

B2. SOURCES AND USES OF STATE AND LOCAL FUNDS

| FY2013 Planned Sources | TBRA (City of Sunnyvale) | Total |
|---|---|---|
| Rental Assistance | 150,443 | 150,443 |
| Administrative Fee | 21,000 | 21,000 |
| Other Revenue/Grant | | 0 |
| **Total Planned Sources** | **$171,443** | **$171,443** |

| FY2013 Planned Expenditures | TBRA (City of Sunnyvale) | Total |
|---|---|---|
| Administrative Expenses | 15,000 | 15,000 |
| Utilities | | 0 |
| Maintenance & Operations | | 0 |
| Other Operating and General Expenses | 6,000 | 6,000 |
| **Subtotal** | ***21,000*** | ***21,000*** |
| Housing Assistance Payment (HAP) | 150,443 | 150,443 |
| **Total Planned Expenditures** | **$171,443** | **$171,443** |

## C. SOURCES AND USES OF COCC

All Public Housing COCC net revenue will be used during FY2013 for low income housing and related operating expenses.

## D. ALLOCATION METHOD FOR CENTRAL OFFICE COSTS

The Housing Authorities of the County of Santa Clara and the City of San Jose have elected to use an overhead allocation method that is consistent with the methodology of OMB Circular A-87 for the Housing Choice Voucher Program, while for PHCOCC the agencies are using the Operating Fund Rule for the Public Housing Program.

## E. USE OF SINGLE FUND FLEXIBILITY

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

In FY2012 and beyond, 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. This funding flexibility relates to MTW Activities 2012-3 and 2012-4. MTW funds will also be used to bring services and programs to residents of HACSC's non-Section 8/9 properties where property income cannot otherwise cover the costs of such services (MTW Activity 2012-5).

As of the writing of this Plan, HACSC anticipates entering into Housing Assistance Payments (HAP) contracts for up to 600 project-based vouchers for HACSC-owned and HACSC-affiliated affordable housing properties. HACSC may use its approved MTW Activity #2010-4 to make these PBV commitments without competition. These actions will help to ensure that properties remain affordable to extremely low income households.

HACSC may use its block grant flexibility to cover the costs of over-leasing in the Housing Choice Voucher (HCV) program. Over-leasing is necessary due to the combined effect of low turnover rates in Section 8, a long Section 8 waiting list, past allocations of vouchers to serve the chronically homeless, and current and anticipated PBV commitments.

Finally, to ensure that HACSC is able to properly serve its program participants, and to improve the cost-effectiveness and day-to-day efficiency of staff activities, HACSC may also use its funding flexibility to consolidate HACSC office space and to enhance administrative support needed for on-going operations. Options include expanding current office and parking facilities at HACSC's main administrative office, relocating staff into a single building, and/or making improvements to current HACSC offices. HACSC will make any required allocation among funding programs.

# VIII. ADMINISTRATIVE

## A. BOARD RESOLUTION ADOPTING THE 2013 ANNUAL MTW PLAN CERTIFICATION OF COMPLIANCE

This resolution is provided in Appendix One.

## B. PLANNED OR ONGOING AGENCY-DIRECTED EVALUATIONS OF HACSC'S MTW DEMONSTRATION

In FY2013, HACSC will continue to refine its approach to data gathering and monitoring of MTW activities and their impacts on stated goals and objectives. HACSC's launch of the new voucher program software in February 2012 will support this effort.

# Appendix One

Board Resolution #12-02 approving the submission of the FY2013 Annual MTW Plan to HUD and certifying compliance with regulations.

**RESOLUTION NO. 12-02**

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA APPROVING SUBMISSION OF FY2013 MOVING TO WORK (MTW) ANNUAL PLAN TO US DEPARTMENT OF HUD**

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Housing Authority of the County of Santa Clara, State of California, to approve the Moving to Work (MTW) Annual Plan for Fiscal Year 2013 and authorize the Housing Authority of the County of Santa Clara (HACSC) and the Housing Authority of the City of San José (HACSJ) to submit the Plan to the U.S. Department of Housing and Urban Development (HUD).

**PASSED AND ADOPTED** by the Board of Commissioners of the Housing Authority of the County of Santa Clara, State of California, on April 9, 2012, held at 505 W. Julian Street., City of San Jose, State of California, upon motion from Commissioner O'Neal and seconded by Commissioner Vicechair Espinoza-Howard with the following vote:

**AYES:** Chair Anderson, Espinoza-Howard, Csmrs O'Neal, Chang and Heyden

**NAYS:** None

**ABSTAIN:** None

**ABSENT:** Commissioner Scrempos

William Anderson, Chair

**ATTEST:**

Alex Sanchez, Secretary/Executive Director

**APPROVED AS TO FORM AND LEGALITY:** /for

Katherine Harasz, General Counsel

265154

Page **1** of **1**

Annual Moving to Work Plan
Certifications of Compliance

OMB Control Number: 2577-0216
Expiration Date: 12/31/2011

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

## Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning July 1, 2012, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment;
2. The Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners in order to incorporate any public comments into the Annual MTW Plan;
3. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990;
4. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions;
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975;
6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped;
7. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135;
8. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F;
9. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24;
10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable;
11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105( a);
12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58;

Annual Moving to Work Plan
Certifications of Compliance

OMB Control Number: 2577-0216
Expiration Date: 12/31/2011

13. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act;
14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements;
15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35;
16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.);
17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan; and
18. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

| | |
|---|---|
| Housing Authority of the County of Santa Clara | CA059 |
| PHA Name | PHA Code |

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

| | |
|---|---|
| Bill Anderson | Chair, HACSC Board of Commissioners |
| Name of Authorized Official | Title |
| | April 19, 2012 |
| Signature | Date |

Page 2 of 2

Annual Moving to Work Plan
Certifications of Compliance

OMB Control Number: 2577-0216
Expiration Date: 12/31/2011

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

## Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning July 1, 2012, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment;
2. The Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners in order to incorporate any public comments into the Annual MTW Plan;
3. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990;
4. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions;
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975;
6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped;
7. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135;
8. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F;
9. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24;
10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable;
11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105( a);
12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58;

Annual Moving to Work Plan
Certifications of Compliance

OMB Control Number: 2577-0216
Expiration Date: 12/31/2011

13. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act;
14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements;
15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35;
16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.);
17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan; and
18. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

| | |
|---|---|
| Housing Authority of the City of San Jose | CA056 |
| PHA Name | PHA Code |

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

| | |
|---|---|
| Bill Anderson | Chair, HACSC Board of Commissioners |
| Name of Authorized Official | Title |
| | april 9, 2012 |
| Signature | Date |

Page 2 of 2

# Appendix Two

This appendix documents the public review process and summarizes the comments received related to the draft MTW Annual Plan for FY2013.

The draft MTW Plan for FY2013 was made available for public review in its main office and on the Housing Authority website at www.hacsc.org from February 22 to March 23, 2012. In addition, one-page summaries of the Plan were available in English (Exhibit 1). (Spanish and Vietnamese translations were also available.) In accordance with public due process requirements, HACSC conducted community stakeholders meetings and a public hearing. For the most part, as described in Sections II and III, the comments received were positive and in support of the proposed activities. However, as noted in Exhibit 5 below, many of the attendees requested HACSC's continued and expanded support of chronically homeless activities. While these comments do not relate to the proposed activities, HACSC values their input and looks forward to working with them to address not only the needs of the chronically homeless, but all residents in Santa Clara County. For more information on how HACSC will be working with our community partners in support of chronically homeless individuals and families, see page 5 of this Plan.

## I. Public Notices

Notices to the public were published in three local area newspapers: the San Jose Mercury News, Santa Clara County's primary English language newspaper (Exhibit 2); El Observador, a Spanish language newspaper (Exhibit 3) and Vietnam Daily News, a Vietnamese language newspaper (Exhibit 4). The notices advised the public of the availability of the Plan for review, gave directions on how to submit comments on the proposed Plan during the 30-day review period, and provided information on the Public Hearing which was held on March 21, 2012.

## II. Community Stakeholder Meetings

Prior to the draft publication, HACSC held two stakeholder meetings and one conference call to invite housing program and community stakeholders to review and comment on the proposed MTW activities for the upcoming plan year.

A meeting for program participants and owners was held on February 15, 2012, at the Housing Authority's main office. Twenty-nine owners and thirty-one program participants were invited. Of the 60 individuals invited, two attended the meeting and had favorable comments about the proposed activities.

In addition, a meeting for local agency partners was held at the Housing Authority on February 16, 2012. Forty-three local agencies and city governments were invited and representatives from thirty-five of these agencies/city offices attended. Many of the attendees took the opportunity during the meeting to provide their comments, which were generally favorable, and to ask questions related to the proposed activities (Exhibit 5).

HACSC also held a conference call to provide legal and housing advocacy groups an opportunity to comment on the proposed activities. The call took place on February 14, 2012, and comments received during the conference call were consolidated by the groups into a joint written statement issued by Bay Area Legal Aid and the Mental Health Advocacy Project of the Law Foundation of Silicon Valley, incorporated below in Section V.

**Public Hearing**

The public hearing regarding the proposed FY2013 MTW Plan was held on Wednesday, March 21, 2012 at 3:00 p.m. A HACSC staff member provided a short introduction about the Plan, and then audience members were invited to speak.

Nine persons attended the hearing, and seven made public comments on the Plan. The hearing was recorded, and the speakers' key points are consolidated and summarized in Exhibit 5 below. HACSC will take all of the comments into consideration as we continue to develop and implement our MTW plan.

There were several agencies represented at the public hearing as follows:

- Department of Alcohol and Drug Services (DADS)
- Destination Home
- Homeless Systems for the County of Santa Clara
- Department of Mental Health, Homeless Coordinator
- EHC Life Builders
- Mental Health Advocacy Project
- City of San Jose

## III. Correspondence

HACSC received 11 written comments during the public review period of the draft MTW Annual Plan. The comments are consolidated and summarized in Exhibit 5 below. HACSC will take all of the comments into consideration as we continue to develop and implement our MTW plan.

Below is the list of agencies and private citizens who wrote regarding this issue.

1. *Destination: Home*, a public-private partnership dedicated to ending homelessness (a letter and an email)
2. *EHC Life Builders*, a non-profit agency that assists the homeless
3. *County of Santa Clara,* Office of the County Executive
4. *Santa Clara County Collaborative on Affordable Housing and Homeless Issues,* a collaborative of over 100 local agencies united to find a solution to homelessness
5. *Office of Santa Clara County Board of Supervisors,* Office of Supervisor Mike Wasserman
6. Email from a private citizen

7. Email from a Pastor of *WestGate Church* in San Jose
8. Emails from two volunteers with *Housing 1000*
9. Joint Statement from the Bay Area Legal Aid and the Mental Health Advocacy Project of the Law Foundation of Silicon Valley
10. Letter from the *City of San José, Department of Housing*

## IV. Summary of Comments Received and HACSC Response

The local non-profit and government agency representatives' comments were generally supportive of the MTW Plan. They stated that they appreciated that the proposed activities may facilitate the participants search for housing that will best fit their needs; simplification of the approach to assisting program participants is in everyone's best interest.

Additionally, many of representatives requested inclusion of explicit language in the Plan designating 30% of turn-over vouchers for the chronically homeless in FY2013, with no cap. Their input as it relates to the proposed activities for FY 2013 is summarized in Exhibit 5 below.

*HACSC Response:* With receipt of the calendar year (CY) 2012 HUD budget (March 2, 2012), HACSC has determined that it will be possible to allocate 30% of the vouchers that turnover in CY2012 to the homeless in our community not to exceed 100 vouchers in CY2012. With this allocation, HACSC looks forward to continuing to work with our Community partners and Supportive Service providers to build on the successes and lessons learned from the Chronically Homeless Direct Referral Program. While the allocation of these vouchers is made at the discretion of the Housing Authority's Executive Director and not subject to further HUD approval, HACSC has included the information in this Plan as the MTW activity allowing direct referral will be relied on in administering these vouchers.

HACSC will continue to take all of the comments into consideration as we implement and further develop our MTW plan.

# Exhibit 1

## Moving to Work (MTW) 2013 Proposed Annual Plan – Brief Summary

Since 2008, the Housing Authority of the County of Santa Clara (HACSC) has introduced nationally recognized changes to its affordable housing programs through the Moving to Work (MTW) demonstration program.

MTW is a federal demonstration program established by Congress which encourages selected housing authorities to propose and implement, upon the Department of Housing and Urban Development (HUD) approval, locally-designed changes to the way affordable housing programs are administered.

The goals of the MTW program are:

• To increase cost effectiveness in housing program operations,
• To promote participants' economic self-sufficiency, and
• To expand participants' housing choices.

HACSC has prepared its draft annual plan to describe how the Agency plans to implement its Moving to Work (MTW) demonstration program for Fiscal Year 2013 (July 1, 2012 to June 30, 2013).

In the plan, HACSC seeks approval from HUD to:

Proposed Activity #1*:
Establish a "Graduated Housing Subsidy Assistance" program that will reform the way housing assistance is calculated in the Housing Choice Voucher program. The program provides a graduated schedule of housing assistance based on local housing market rents and the family's annual income (less applicable deductions as allowed by HUD).

Voucher holders learn, at the time they receive their voucher, the actual subsidy amount they will receive from HACSC each month. With this information, participants have both the knowledge and tools to locate the best housing solution to meet their family's needs and to determine what their rent portion will be.

Proposed Activity #2:
Eliminate the 'Earned Income Disallowance' (EID) as provided by U.S. Department of Housing & Urban Development regulation. As a result of the reduction of reexamination frequency from once a year, to once every two to three years, there is no longer any financial benefit for program participants through the EID calculation. This alternative reexamination schedule has also made the EID ineffective to administer.

*HACSC has withdrawn the Proposed Graduated Housing Subsidy Assistance Activity (formerly #2013-1)

The proposed 2013 MTW Plan also describes HACSC's ongoing commitment to:

- Create future initiatives, based on the results from HACSC's affordable housing needs assessment and on-going research that could include a potential pilot program aimed at promoting tenants' economic self-sufficiency.
- Develop new affordable rental housing in the future, and allocate project-based vouchers to such sites as appropriate, to help ensure their long-term financial viability.

HACSC will hold a public hearing on the MTW Plan on March 21, 2012, at 3 pm, at HACSC's main office at 505 West Julian Street, San Jose, CA, 95110.

A preliminary draft of the MTW Plan will be available for review at this location and public comments on the plan will be accepted from February 23, 2012 - March 23, 2012.

The draft plan is also available online on the HACSC website at www.hacsc.org.
Comments may be submitted electronically to ronm@hacsc.org, or by U.S. mail to the attention of Ron Marsh, Administrative Assistant, at the address above.

The final proposed 2013 MTW Annual Plan will be presented to the HACSC Board of Commissioners for approval in April and will be submitted to HUD for final approval by April 15, 2012.

In accordance with the Rehabilitation Act of 1973, the Housing Authority will make reasonable efforts to accommodate persons with disabilities. Please call (408) 275-8770 at least three days in advance of the public hearing if you require special accommodations.

## Exhibit 2- San Jose Mercury News

# San Jose Mercury News

750 RIDDER PARK DRIVE
SAN JOSE, CALIFORNIA 95190
408-920-5332

## PROOF OF PUBLICATION

**IN THE**
**CITY OF SAN JOSE**
**STATE OF CALIFORNIA**
**COUNTY OF SANTA CLARA**

SANTA CLARA COUNTY,HOUSING AUTHORITY OF
Attn: Rene Regino,505 W Julian St
San Jose CA 95110-2338

**FILE NO. 39796** ← P.O. #

In the matter of

The San Jose Mercury News

The undersigned, being first duly sworn, deposes and says: That at all times hereinafter mentioned affiant was and still is a citizen of the United States, over the age of eighteen years, and not a party to or interested in the above entitled proceedings; and was at and during all said times and still is the principal clerk of the printer and publisher of the San Jose Mercury News, a newspaper of general circulation printed and published daily in the city of San Jose in said County of Santa Clara, State of California as determined by the court's decree dated June 27, 1952, case numbers 84096 and 84097, and that said San Jose Mercury News is and was at all times herein mentioned a newspaper of general circulation as that term is defined by Sections 6000 and following, of the Government Code of the State of California and, as provided by said sections, is published for the dissemination of local or telegraphic news and intelligence of a general character, having a bona fide subscription list of paying subscribers, and is not devoted to the interests or published for the entertainment or instruction of a particular class, professional, trade, calling, race or denomination, or for the entertainment and instruction of any number of such classes, professionals, trades, callings, races or denominations; that at all times said newspaper has been established, printed and published in the said city of San Jose in said County and State at regular intervals for more than one year preceding the first publication of the notice herein mentioned. Said decree has not been revoked, vacated or set aside.

I declare that the notice, of which the annexed is a true printed copy, has been published in each regular or entire issue of said newspaper and not in any supplement thereof on the following dates, to wit:

**2/22/2012**

Dated at San Jose, California
02/22/12

I declare under penalty of perjury that the foregoing is true and correct.

Signed ______________

Principal clerk of the printer and publisher of the San Jose Mercury News.

Legal No. **0004340776**

**Public Notice: FY2013 Plan and Contract Amendment**

On February 26, 2008, the U.S. Department of Housing and Urban Development (HUD) signed ten-year Moving to Work (MTW) Agreements (Agreements) with the Housing Authority of the County of Santa Clara (HACSC) and the Housing Authority of the City of San Jose (HASJ). The MTW demonstration provides HACSC with some flexibility to develop policies applicable to both agencies that are outside the limitations of certain Section 8 voucher and public housing laws, to enhance its ability to serve the housing needs of low-income people and communities in Santa Clara County.

Each year, HACSC creates an Annual MTW Plan for the coming fiscal year. HUD also allows MTW agencies the opportunity to propose amendments to their Agreements.

The Draft 2013 Annual MTW Plan, effective July 1, 2012 - June 30, 2013, and the proposed Amendment #3 to HACSC's Agreement relating to eligible uses of public housing Replacement Housing Factor funds, will allow HACSC to further pursue programs and activities, subject to HUD approval, that differ from the Section 8 voucher and public housing programs but that address affordable housing needs in ways that are consistent with the goals and requirements of the MTW demonstration.

The Draft 2013 MTW Annual Plan and proposed Amendment #3 to HACSC's Agreement will be available for review at the following location from February 22, 2012 through March 23, 2012:

Housing Authority of the County of Santa Clara
505 West Julian Street, San Jose, CA 95110
Office Hours: Monday-Friday 7:30 a.m. to 5:00 p.m.
(closed on March 2, 2012 and March 16, 2012).

The Draft FY13 MTW Annual Plan and proposed amendment language will also be available on HACSC's website at www.hacsc.org, beginning February 22, 2012.

A public hearing will be held on Wednesday, March 21, 2012, at 3:00 p.m. at this same location.

Written comments from the public on the proposed amendment language may also be submitted by March 23, 2012 via email or U.S. mail, as follows:

Ron Marsh
ronm@hacsc.org
or
Ron Marsh, Housing Programs Department
Housing Authority of the County of Santa Clara
505 W. Julian Street
San Jose, CA 95110

In accordance with the Rehabilitation Act of 1973, the Housing Authority will make reasonable efforts to accommodate persons with disabilities. Please call (408) 275-8770 at least three days before the public hearing if you require special accommodations.

EQUAL HOUSING OPPORTUNITY

SJMN#4340776 February 22, 2012

## Exhibit 3- El Observador Newspaper

EL OBSERVADOR | www.el-observador.com

FEB 24 - MAR 1, 2012

### Anuncio público: Plan para el año fiscal 2013 y enmienda del contrato

El 26 de febrero de 2008, el Departamento de Vivienda y Desarrollo Urbano (Department of Housing and Urban Development, HUD) de Estados Unidos firmó acuerdos por diez años (los Acuerdos) para el programa Moving to Work (MTW) con la Autoridad de Vivienda del Condado de Santa Clara (Housing Authority of the County of Santa Clara, HACSC) y la Autoridad de Vivienda de la Ciudad de San Jose (Housing Authority of the City of San Jose, HASJ). La presentación de MTW ofrece a HACSC flexibilidad para desarrollar políticas aplicables a los dos organismos que se encuentran fuera de las limitaciones de ciertos vales de la Sección 8 y leyes sobre vivienda pública, para que mejoren su capacidad de cubrir las necesidades de vivienda de las personas y las comunidades del condado de Santa Clara que tienen bajos recursos.

Cada año, HACSC crea un plan MTW anual para el próximo año fiscal. HUD también brinda a los organismos de MTW la oportunidad de proponer enmiendas a sus Acuerdos.

El proyecto de plan MTW anual para el año 2013, que estará vigente desde el 1 de julio de 2012 hasta el 30 de junio de 2013, y la enmienda número 3 propuesta para el Acuerdo de HACSC en relación con los usos elegibles de los fondos para el Factor de Reemplazo de Viviendas Públicas permitirán que HACSC siga llevando a cabo programas y actividades, si son aprobadas por HUD, que difieren de los vales de la Sección 8 y de los programas de vivienda pública, pero que atienden las necesidades de vivienda accesible de manera coherente con los objetivos y requisitos de la presentación de MTW.

El proyecto de plan MTW anual para el año 2013 y la enmienda número 3 propuesta al Acuerdo de HACSC estarán disponibles para su revisión en el siguiente lugar a partir del 22 de febrero de 2012 y hasta el 23 de marzo de 2012:

Housing Authority of the County of Santa Clara, 505 West Julian Street, San Jose, CA 95110

Horario de atención: de lunes a viernes de 7:30 a. m. a 5:00 p. m. (el 2 de marzo de 2012 y el 16 de marzo de 2012 permanecerá cerrado).

El contenido del proyecto de plan FY13 MTW anual y de la enmienda propuesta también estarán disponibles en el sitio web de HACSC en www.hacsc.org, a partir del 22 de febrero de 2012.

Se llevará a cabo una audiencia pública el miércoles 21 de marzo de 2012 a las 3:00 p. m. en este mismo lugar.

También se pueden enviar comentarios por escrito sobre el contenido de la enmienda propuesta antes del 23 de marzo de 2012 por correo electrónico o servicio de correo postal de EE. UU. a: Ron Marsh ronm@hacsc.org o Ron Marsh, Housing Programs Department, Housing Authority of the County of Santa Clara, 505 W. Julian Street, San Jose, CA 95110

De conformidad con la Ley de Discapacidad de 1973, la autoridad de viviendas hará esfuerzos razonables para ubicar a las personas que tienen alguna discapacidad. Llame al (408) 275-8770 al menos tres días antes de la audiencia pública si desea ubicarse en algún lugar en particular.

# Exhibit 4- Vietnam Daily News Newspaper

Việt Nam Số 6503 * Thứ Tư 22 tháng 2, 2012

**Công Báo: Kế Hoạch FY2013 và Tu Chỉnh Hợp Đ[illegible]**

Vào ngày 26 tháng Hai, 2008, Sở Gia Cư và Phát Triển Đô Thị Hoa Kỳ (HUD) đã ký Các Thỏa Thuận Moving to Work (MTW) mười năm với Cơ Quan Gia Cư Quận Santa Clara (HACSC) và Cơ Quan Gia Cư Thành Phố San Jose (HASJ). Kế hoạch MTW giúp HACSC linh hoạt thiết lập các chính sách áp dụng cho cả hai cơ quan và nằm ngoài phạm vi giới hạn của một số điều luật về gia cư công cộng và phiếu trợ cấp Section 8, để tăng cường khả năng đáp ứng nhu cầu gia cư của các cộng đồng và cư dân có lợi tức thấp ở Quận Santa Clara.

Hàng năm, HACSC kiến tạo một Kế Hoạch MTW Hàng Năm cho năm tài khoá kế tiếp. HUD cũng tạo cơ hội để các cơ quan MTW đề xuất các tu chỉnh đối với Các Thỏa Thuận của họ.

Bản Phác Thảo Kế Hoạch MTW Hàng Năm 2013, có hiệu lực từ ngày 1 tháng Bảy, 2012 tới 30 tháng Sáu, 2013, và đề án Tu Chỉnh số 3 cho Thỏa Thuận của HACSC liên quan tới các trường hợp hội đủ điều kiện sử dụng ngân quỹ Replacement Housing Factor gia cư công cộng, sẽ giúp HACSC tiếp tục theo đuổi các chương trình và hoạt động (tùy thuộc vào sự phê chuẩn của HUD) khác với các chương trình gia cư công cộng và phiếu trợ cấp Section 8 nhưng đáp ứng được nhu cầu gia cư hợp túi tiền theo những cách phù hợp với mục tiêu và yêu cầu của kế hoạch MTW.

Phác Thảo Kế Hoạch Hàng Năm MTW 2013 và đề án Tu Chỉnh số 3 cho Thỏa Thuận của HACSC sẽ có sẵn để quý vị xem xét tại địa điểm sau đây, từ ngày 22 tháng Hai, 2012 tới hết 23 tháng Ba, 2012:

Housing Authority of the County of Santa Clara
505 West Julian Street, San Jose, CA 95110
Office Hours: Monday-Friday 7:30 a.m. to 5:00 p.m.
(closed on March 2, 2012 and March 16, 2012).

Phác Thảo Kế Hoạch Hàng Năm MTW FY13 và đề án nội dung tu chỉnh cũng sẽ có trên website của HACSC tại www.hacsc.org, bắt đầu từ ngày 22 tháng Hai, 2012.

Một buổi điều trần công khai sẽ diễn ra vào lúc 3 giờ chiều thứ Tư, ngày 21 tháng Ba, 2012 tại cùng địa điểm này.

Công chúng cũng có thể gửi thư nhận xét về đề án nội dung tu chỉnh trước ngày 23 tháng Ba, 2012 qua email hoặc dịch vụ bưu điện Hoa Kỳ tới địa chỉ sau đây:

Ron Marsh
*ronm@hacsc.org*
hoặc
Ron Marsh, Housing Programs Department
Housing Authority of the County of Santa Clara
505 W. Julian Street
San Jose, CA 95110

Theo Đạo Luật Phục Hồi 1973, Cơ Quan Gia Cư sẽ cố gắng một cách hợp lý để đáp ứng nhu cầu của những người khuyết tật. Vui lòng gọi số (408) 275-8770 ít nhất ba ngày trước khi diễn ra buổi điều trần công cộng nếu quý vị cần phương tiện trợ giúp đặc biệt.

EQUAL HOUSING OPPORTUNITY

## Exhibit 5- Public Comments

| Written Comments Received Through Stakeholder Meetings, Public Review Period and Public Hearing | | | |
|---|---|---|---|
| **Date Received** | **Organization** | **Chronically Homeless (CH) Recommendation** | **Plan Modification Recommendation** |
| 2/16/12 | Destination: Home | 1) 30% voucher turnover for the 12/13 MTW Plan and continue until homelessness is resolved<br>2) Pursue all possible means for allocating HCV at levels equal to or near 200 annually | |
| 2/16/12 | County of Santa Clara, Deputy County Executive | 1) Allocate 30% of turnover vouchers to the homeless and 30% to the CH<br>2) Priority ending chronic homelessness | |
| 2/16/12 | Santa Clara County Collaborative on Affordable Housing and Homeless Issues | Allocate 30% of turnover vouchers to the homeless and 30% to the CH | |
| 2/16/12 | Office of Supervisor Mike Wasserman (SCC Board of Supervisors) | Prioritize vouchers for the chronically homeless and match the County's efforts (County allocated 1.3 million for pilot program to house the chronically homeless) | |
| 2/17/12 | Emergency Housing Consortium | Annual and ongoing allocation of 30% of turnover for chronically homeless men and women | |
| 3/12/12 | West Gate Church | Annual and ongoing allocation of 30% of turnover for chronically homeless men and women | |
| 3/12/12 | Volunteer w/ the Housing 1000 | 30% of voucher turnover to the chronically homeless rather than a fixed number of vouchers | |
| 3/12/12 | Private Citizen | Include annual and ongoing allocation of 30% of turnover vouchers for the chronically homeless | |
| 3/14/12 | Private Citizen | 30% of section 8 vouchers for the chronically homeless | |
| 3/23/12 | Volunteer w/ the Housing 1000 | 30% of section 8 vouchers for the chronically homeless | |

| Date Received | Organization | Chronically Homeless (CH) Recommendation | Plan Modification Recommendation |
|---|---|---|---|
| 3/23/12 | Law Foundation and Mental Health Advocacy Project and Bay Area Legal Aid | | 1) Revise Graduated Housing Assistance schedule to address the needs of Elderly/Disabled and fixed income households.*<br>2) Do not eliminate the Earned Income Disallowance calculation.<br><br>*HACSC has withdrawn the Proposed Graduated Housing Subsidy Assistance Activity (formerly #2013-1) |
| 3/23/12 | City of San José, Department of Housing | | Amend annual plan to:<br>1) Competitively award majority of Project-based Vouchers based on bids from community developers.<br>2) Limit number of Project-based vouchers used in existing affordable housing projects, including those owned by HACSC.<br>3) Set aside one of three turnover vouchers for chronically homeless persons in FY2013. |

| Community Stakeholder Meeting  February 16, 2012 - Attendees | | |
|---|---|---|
| **Organization** | **Chronically Homeless (CH) Recommendation** | **Plan Modification Recommendation** |
| Goodwill of Silicon Valley | | Primary goal of MTW should be FSS |
| EHC Life Builders | 30% turnover to homeless, and 30% turnover for CH | |
| County of Santa Clara | HACSC should match County of Santa Clara 100 vouchers for the homeless | |
| County of Santa Clara - The Collaborative | 30% turnover to homeless, and 30% turnover for CH | |
| Catholic Charities | 30% turnover vouchers for families and homeless | |
| Community Tech Alliance | 30% turnover vouchers for homeless | |

| Organization | Chronically Homeless (CH) Recommendation | Plan Modification Recommendation |
|---|---|---|
| Downtown Streets Team | 30% turnover voucher for homeless | |
| Mental Health Dept | CH Direct Referral to be continued | |
| City of Morgan Hill | No Comments | No Comments |
| City of San Jose | 30% turnover vouchers for homeless | |
| City of Gilroy and S County Homeless Outreach Task Force | Need set aside vouchers for homeless | |
| Council of Aging Silicon Valley | No Comments | No Comments |
| Silicon Valley Independent Living | 30% turnover set aside for disabled and senior homeless population | |
| New Directions Hospital Council | Housing for homeless to reduce impact on emergency room services | |
| **Public Hearing Comments – March 21, 2012 - Attendees** | | |
| **Organization** | **Chronically Homeless (CH) Recommendation** | **Plan Modification Recommendation** |
| Mental Health Advocacy Project (MHAP) | | 1) Graduated housing program may present challenges: rent increases may lead to moves to substandard housing or cheaper areas.*<br>2) How will graduated rent program encourage families to move to self-sufficiency, especially disabled?*<br>3) Hardship exemption will not address the foreseen burdens – increase of any amount will affect fixed income families.*<br>4) Reconsider eliminating the Earned Income Disallowance (EID)– EID provides motivation for persons with disabilities to work without encountering increase in the rent.<br><br>*HACSC has withdrawn the Proposed Graduated Housing Subsidy Assistance Activity (formerly #2013-1) |

| Organization | Chronically Homeless (CH) Recommendation | Plan Modification Recommendation |
|---|---|---|
| City of San Jose | | Amend annual plan to include:<br>1) Competitively award majority of Project-based Vouchers based on bids from community developers<br>2) Limit number of Project-based vouchers used in existing affordable housing projects, including those owned by HACSC.<br>3) Set aside one of three turnover vouchers to the chronically homeless |
| Department of Alcohol and Drugs Services | Housing with targeted services provides hope for the homeless to reintegrate and succeed. | |
| Destination Home | Amend Plan further and remove the cap of 100 vouchers for chronically homeless | |
| County of Santa Clara & Collaborative | Amend Plan; don't cap at 100 vouchers for chronically homeless. | |
| Mental Health Department - Homeless Coordinator | Identifying 100 more vouchers for chronically homeless. Hoping Housing Authority is open to flexibility of choosing voucher recipients from registry –not the Section 8 waiting list. Consider removing cap of 100 vouchers for chronically homeless. | |
| EHC Live Builders | Appreciates 30% of turnover vouchers for homeless, does not agree with 100 voucher cap. | |
| City of San Jose | Amend Annual Plan to include that one out of every three- turnover vouchers will be given to chronically homeless. | |

# Appendix Three

Moving to Work Agreements between the Housing Authority of the County of Santa Clara and the U.S. Department of Housing and Urban Development and the Housing Authority of the City of San José and the U.S. Department of Housing and Urban Development.

# Appendix Four

**Proposed* Third Amendment to Moving to Work Agreement between U.S. Department of Housing and Urban Development and Housing Authority of the County of Santa Clara**

The Housing Authority of the County of Santa Clara (HACSC) is posting for public comment the proposed Third Amendment to the Moving to Work Agreement between U.S. Department of Housing and Urban Development (HUD) and Housing Authority of the County of Santa Clara (the Third Amendment). The Third Amendment would allow HACSC to use Replacement Housing Factor (RHF) funds, which it receives as a result of the disposition of public housing units, for the development of affordable housing other than public housing that will serve households with incomes not exceeding 80% of the HUD-established Area Median Income. The RHF funds would be available for up to a ten-year period.

HUD is making this amendment available to all public housing agencies participating in the Moving to Work (MTW) demonstration. Without adoption of this amendment, such agencies may receive RHF funds for up to ten years only if they use those funds solely for the replacement of public housing. Such agencies also may use RHF funds for other eligible uses under the rules of the MTW demonstration, but may receive RHF funds only for five years if they do so.

The form of the proposed Third Amendment, and the protocol required by HUD to use RHF funds for the development of low-income housing as authorized by the Third Amendment, are attached. For additional information regarding HACSC's receipt and planned use of RHF funds, please see "Use of Replacement Housing Factor Funds" in the draft HACSC FY2013 Annual MTW Plan that is also posted for comment.

*Appendix Four was prepared prior to the execution of the Third Amendment to the MTW Agreement between HUD and HACSC. Since HACSC's submittal to HUD of this Plan, the Third Agreement has been fully executed.

## Use of Replacement Housing Factor Funds

The Housing Authority of the County of Santa Clara (HACSC) has received or expects to receive the following Replacement Housing Factor (RHF) grants:

| Grant | Fiscal Year | Amount | Notes |
|---|---|---|---|
| CA39R05950109 | 2009 | $314,556 | Obligated for MTW activities |
| CA39R05950110 | 2010 | $313,875 | |
| CA39R05950111 | 2011 | $269,077 | |
| CA39R05950112 | 2012 | $635,310 | |
| CA39R05950113 | 2013 | $658,098 | Expected Amount |
| CA39R05950214 | 2014 | $658,098 | Expected Amount |
| CA39R05950215 | 2015 | $658,098 | Expected Amount |
| CA39R05950216 | 2016 | $658,098 | Expected Amount |
| CA39R05950217 | 2017 | $658,098 | Expected Amount |
| CA39R05950218 | 2018 | $658,098 | Expected Amount |

<u>First Increment RHF</u>

HACSC obligated the FY09 RHF grant for Moving to Work (MTW) activities, prior to HUD making available the option to commit the full ten years of RHF funds for the development of affordable housing other than public housing that will serve households with incomes not exceeding 80% of the HUD-established Area Median Income. Now that HUD has made that option available, HACSC intends to use all RHF funds that become available after fiscal 2009 for the development of low-income housing other than public housing. HACSC tentatively intends to commit RHF funds as necessary for the development of its Park Avenue site (MTW Activity #2012-3), which also will include project-based vouchers.

HACSC intends to accumulate the fiscal 2010-2013 first-increment RHF grants, and wishes to be eligible for the second-increment RHF. The grant number and amount or estimated amount for each grant are listed in the chart above, with all grants commencing with the fiscal 2010 grant to be combined into the MTW block grant for the development of affordable housing. HACSC will develop at least the requisite number of affordable/low-income units required under HUD's "Proportionality Test," so that the number of new affordable units is equal to, or greater than, the number of public housing units HACSC would have developed had it not included the RHF funds in its MTW funds.

Second Increment RHF

With respect to second-increment RHF funds, consisting of fiscal 2014-2018 capital funds, HACSC plans to combine RHF funds into the block grant for the development of low-income housing. HACSC is accumulating the RHF grants. The grant number and estimated amount for each grant to be combined into the MTW block grant for this purpose are listed in the chart above. HACSC will secure a firm commitment for the required 1/3 leverage prior to disbursing any of the second-increment RHF funds. HACSC will develop at least the requisite number of affordable/low-income units required under HUD’s “Proportionality Test,” so that the number of new affordable units is equal to, or greater than, the number of public housing units HACSC would have developed had it not included the RHF funds in its MTW funds.

46

ON BOARD AGENDA: 5/29/2012
AGENDA ITEM: 7C

HOUSING AUTHORITY of the COUNTY of SANTA CLARA

To: Board of Commissioners  Date: May 15, 2012

From: Alex Sanchez, Executive Director

Submitted By: Louise Hofmeister, Director of Housing Programs

Subject: Resolution 12-03: Amendment to the Housing Authority of the County of Santa Clara (HACSC) Moving to Work Agreement Regarding the Use of Replacement Housing Factor Funds

Approved  Date 5/17/12

**Recommendation**

It is recommended that the Board of Commissioners:

Adopt Resolution 12-03, approving an amendment to the HACSC's Moving to Work (MTW) Agreement and delegating authority to the Executive Director to negotiate and execute such an amendment.

**Background**

HUD is making this amendment available to all public housing agencies participating in the MTW demonstration program. Without this amendment, such agencies may receive RHF funds for up to ten years only if they use the funds solely for the development of public housing; if RHF funds are used for other MTW-eligible activities, the agencies are limited to receiving RHF funds for five years. With the amendment, agencies may use RHF funds for the development of affordable housing other than public housing that will serve low-income (not exceeding 80% of the HUD-established Area Median Income) households and receive RHF funds for ten years if they meet other HUD requirements.

**Analysis**

While the Housing Authority of the City of San Jose has never had public housing and thus cannot receive RHF funds, HACSC has RHF funds and will continue to receive RHF funds. HACSC has no plans to develop additional public housing, but has plans to develop other low-income housing. The proposed amendment would be advantageous because it would provide an additional funding resource that HACSC could use for this purpose.

**Fiscal Impact**

As a result of this amendment, HACSC expects to receive approximately $3.3 million from federal fiscal 2014 through 2018 that it can use for the development of low-income housing other than public housing. Without the amendment, HACSC only would receive these funds if it were to use the funds for the development of public housing.

**Coordination**

The use of these funds will be coordinated between the Real Estate Services and Finance departments.

Jeff Rainault for Louis Hofmeister
Submitting Director

**RESOLUTION NO.12-03**

**RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA APPROVING AN AMENDMENT TO ITS MOVING TO WORK AGREEMENT AND DELEGATING AUTHORITY TO THE EXECUTIVE DIRECTOR TO NEGOTIATE AND EXECUTE SUCH AN AMENDMENT**

**WHEREAS,** Replacement Housing Factor (RHF) funds currently are provided by the U.S. Department of Housing and Urban Development (HUD) for ten years if used for the development of replacement public housing, but only for five years if a housing authority participating in the Moving to Work (MTW) demonstration uses RHF funds for other eligible activities; and

**WHEREAS,** HUD has informed housing authorities participating in the MTW demonstration that that they have the opportunity to amend their MTW Agreements to include language that will allow them to use RHF funds for the development of affordable housing other than public housing without losing the second five years of RHF funds; and

**WHEREAS,** HUD has provided language to amend the MTW Agreements; and

**WHEREAS,** HACSC has RHF funds and expect to receive additional RHF funds that HACSC may determine to use for the development of low-income housing other than public housing; and

**WHEREAS,** HACSC has followed the required public review and public hearing requirements for amending the MTW Agreement;

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Commissioners of the Housing Authority of the County of Santa Clara, State of California approves the amendment to the MTW Agreement between the Housing Authority of the County of Santa Clara and HUD to provide for availability for ten years of RHF funds for the development of low-income housing other than public housing subject to HUD requirements and authorizes the Executive Director to negotiate and execute the amendment.

Page **1** of **2**

1156469.2 031339 CORR

**PASSED AND ADOPTED** by the Board of Commissioners of the Housing Authority of the County of Santa Clara, State of California, on May 29, 2012, held at 505 W. Julian Street., City of San Jose, State of California, with the following vote:

**AYES:** Chair Anderson, Vice Chair Espinoza-Howard, Cmsnrs Heuerlen, Chang, Scrempos and O'Neal

**NAYS:** None

**ABSTAIN:** None

**ABSENT:** None

William Anderson, Chair

**ATTEST:**

Alex Sanchez, Secretary/Executive Director

**APPROVED AS TO FORM AND LEGALITY:**

Katherine Harasz, General Counsel

Page **2** of **2**

1156469.2 031339 CORR

**THIRD AMENDMENT**

**TO**

**AMENDED AND RESTATED MOVING TO WORK AGREEMENT BETWEEN U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND**

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

This third Amendment to the Moving to Work ("MTW") Agreement ("Agreement") is entered into by and between the United States of America through the U.S. Department of Housing and Urban Development ("HUD") and the Housing Authority of the County of Santa Clara ("Agency") and is effective on the date of execution by HUD. Unless otherwise defined, all capitalized terms used herein shall have the same meanings ascribed to them in the Agreement.

Attachment D is amended as follows: The following language is added to the Housing Authority of the County of Santa Clara's Attachment D:

**Use of Replacement Housing Factor Funds for Development**

The Agency and HUD acknowledge that Section B(1)(a) of Attachment C of this Agreement regarding the ability to combine funds awarded annually pursuant to Section 8(o), 9(d) and 9(e) of the U.S. Housing Act of 1937 ("1937 Act") into a single, authority-wide funding source ("MTW Funds") is inclusive of replacement housing factor ("RHF") funds provided for at 24 CFR 905.10(i) provided the conditions detailed below are met. The Agency may exercise one of the following options in the administration of RHF funds.

1) Option 1: The Agency may administer its RHF awards outside of its MTW Funds. These funds must be used in accordance with RHF requirements and may accumulate under an approved RHF Plan or be subject to the two-year obligation and four year expenditure deadlines. The Agency would be eligible for second increment RHF funds, which would be administered outside of the agency's MTW Funds.

2) Option 2: The Agency may combine its first increment RHF funds in its MTW Funds and use the funds for any purpose allowable in this Agreement and approved in an MTW Plan, as detailed in Section B(1)(e) of Attachment C of this Agreement. Obligation and expenditure requirements of Section 9(j) of the 1937 Act still apply to these funds. If administering first increment RHF funds in this way, the Agency forgoes eligibility for second increment RHF funds.

3) Option 3: If the Agency combines its first increment RHF funds in its MTW Funds pursuant to Option 2, but wants to receive a second increment of RHF funds, while the Agency may use the funds for any purpose allowable in this Agreement and approved in an MTW Plan, the Agency must spend a portion of its MTW Funds for construction of new public and/or affordable housing. The amount of MTW Funds the Agency must spend on construction of new public and/or affordable units must be equal to or greater than the total amount of RHF funds included in the MTW Funds. In addition, the number of new public and/or affordable

units it constructs must be equal to or greater than the number of public housing units the Agency would have developed if it had not included its RHF funds in its MTW Funds. This is referred to as the "Proportionality Test." [For example, if an Agency deposits $500,000 of RHF funds in its MTW Block Grant, the Agency must spend at least $500,000 of its MTW Block Grant funds on the construction of new public and/or affordable housing. The specific number of new public and/or affordable housing units that must be constructed is determined by dividing $500,000 by the Total Development Cost (TDC) limit applicable to the type of new units being developed. For example, if the Agency is developing 2-bedroom townhomes and the TDC for these types of units is $220,000, the Agency must construct a minimum of three new 2-bedroom townhomes ($500,000 divided by $220,000 = 2.7.) This calculation must be done for each year that RHF funds are received by the PHA and included in the MTW Block Grant.]

i) The applicable TDC will be either the HUD TDC limit for the year in which construction of the units commences or an alternate TDC approved by HUD as part of the MTW approval process.

ii) The new public and/or affordable units required to be developed may be developed directly by the Agency or developed through a Mixed-Finance transaction.

iii) Any project which includes construction of public housing units must be approved by HUD following either the Development process (units owned by the Agency) or the Mixed-Finance process (units owned by an entity other than the Agency).

iv) The Agency must show significant progress on construction of the new public and/or affordable units required during the first increment of RHF funds in order to receive the second increment of RHF funds.

v) If an Agency chooses to include second increment RHF funds in its MTW Block Grant, then second increment RHF funds will be subject to the Proportionality Test and the same requirements as first increment funds regarding the amount of MTW Block Grant funds that must be spent on the construction of new public and/or affordable housing and the number of units which must be constructed.

vi) Leveraging requirements still apply to the second increment RHF funds.

vii) The 2-year obligation and 4-year expenditure deadlines are still applicable to both the first and second increment RHF funds deposited into the MTW Block Grant.

viii) The new units constructed must be consistent with the MTW Statute and Agreement. In order to develop affordable (non-public housing) units, an Agency must have received prior HUD authority to implement local, non-traditional activities.

ix) Prior to implementing Option 3, an Agency must amend their MTW Agreements to allow for deposit of RHF Funds in the MTW Block Grant and the receipt of second increment RHF Funds (a standard HUD Amendment must be used).

x) Prior to implementing Option 3, an Agency must include the development of the new public and/or affordable units in their MTW Plan and include RHF funds in Section 7, the Sources and Uses Chart.

xi) As long as the Agency has included in its MTW Plan the construction of the new public and/or affordable units and its intention to combine RHF funds in the MTW Block Grant and receive second increment RHF funds, the Agency does not need to submit an RHF Plan to HUD. However, the MTW Plan must include the information required in an RHF Plan, as prescribed by HUD.

xii) The Agency must include in its annual MTW Report an update on the amount of RHF funds included in the MTW Block Grant, the amount of funds spent on construction of new public and/or affordable housing, the number of units being constructed, and the status of construction. The Agency must show significant progress on construction of units during the first increment of RHF funds in order to receive second increment RHF funds.

Notwithstanding the above, such funds remain Federal funds, and are subject to any and all other Federal requirements outside of the 1937 Act (e.g., including but not limited to Appropriations Acts, competitive HUD notices of funding availability under which the Agency has received an award, state and local laws, Federal statutes other than the 1937 Act, and OMB Circulars and requirements), as modified from time to time.

IN WITNESS WHEREOF, the parties have caused this Third Amendment to be executed by their duly authorized representatives.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA

By: ________________ Name:
Alex Sanchez Its: Executive Director

Date: 5/30/2012

UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

By: ________________ Name:
Sandra B. Henriquez Its: Assistant Secretary, Public and Indian Housing

Date: ________________

**Third Amendment**
**Housing Authority of the County of Santa Clara**

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

May 30, 2012

Ivan Pour
Program Director, Moving to Work Demonstration
US Department of Housing and Urban Development
451 Seventh Street, SW
Room 4120
Washington, D.C. 20410

RE: Third Amendment to MTW Agreement

Dear Mr. Ivan Pour:

The Housing Authority of the County of Santa Clara (HACSC) is requesting HUD approval to amend its Moving to Work (MTW) Agreement.

As required in Part V, Section B of its MTW Agreement, HACSC is submitting a proposed Third Amendment to HUD for approval after having made the amendment available for a 30-day public review period and conducting a public hearing. The public comment period, which was concurrent with the FY2013 Annual Plan, occurred from February 23 through March 23, 2012. A public hearing was held on March 21, 2012. There were no comments from the public received at the public hearing or during the public comment period.

HACSC's Board of Commissioners approved the proposed third amendment at its meeting on May 29, 2012. A copy of the meeting agenda and signed resolution, is attached.

The proposed Third Amendment of the agreement is also included with this letter.

Please contact Housing Programs Director, Louise Hofmeister, at (408) 993-2999 if you need any further information regarding the proposed amendment. We look forward to your reply and approval of this amendment.

Sincerely,

Alex Sanchez
Executive Director

Enclosures

cc: Laurel Davis, MTW Coordinator
Martha Ruiz, HUD San Francisco Field Office