

Moving to Work (MTW) 2012 Annual Plan

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

**April 12, 2011
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Housing Authority of the County of Santa Clara (HACSC)

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

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I. INTRODUCTION AND OVERVIEW

Purpose of this Plan

This document describes how the Housing Authority of the County of Santa Clara and the Housing Authority of the City of San Jose (jointly operated agencies and hereafter referred to as HACSC) propose to carry out its Moving to Work (MTW) program in fiscal year 2012 (July 1, 2011 through June 30, 2012). This plan is required by the U.S. Department of Housing and Urban Development (HUD), and is the fourth 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 actions. It encourages selected housing authorities to propose and implement innovative changes to the way affordable housing programs are administered in order to meet three broad federal goals:

- To decrease costs and increase cost effectiveness in housing program operations,
- To promote participants' economic self-sufficiency, and
- To expand 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 three years in the MTW demonstration, HACSC focused on exploring the various possibilities under the demonstration and on designing and implementing activities to reduce administrative costs in its largest program, the Housing Choice Voucher (HCV) program.

Thirteen (13) of HACSC's eighteen (18) HUD-approved and "ongoing" MTW activities involve streamlining of routine processes in the HCV program. As described in HACSC's 2010 MTW Report, these efficiencies produced a fifty percent reduction in key HCV program work tasks since the FY2008 baseline year. In addition to producing cost savings, these MTW activities allowed for greater focus on customer service and generated positive feedback (and virtually no complaints) from tenants and property owners.

The other significant ongoing MTW activity is the locally-designed direct voucher referral program, which serves the chronically homeless. The product of an unprecedented collaboration between HACSC, local government, and local service providers, this activity was launched in October 2010 after more than a year of careful planning. The initial pairing of 200 vouchers with MTW Activity #2009-5 has already produced tangible results: as of April 1, 2011, 145 vouchers have been issued and 75 households have secured a unit. If funding is available, HACSC may allocate an additional 200 vouchers for the chronically homeless in FY2012.

The current implementation status of each of HACSC's ongoing MTW activities is provided briefly in Section VI of this report; significant technical details about each activity's purpose and status through June 2010 can be found in the 2010 MTW Annual Report, which was approved by HUD in January 2011.

HACSC's Proposed MTW Activities for Fiscal Year 2012

HACSC proposes to launch five new MTW activities. These activities signal the next stage of HACSC's growth as an MTW agency. If approved, they will impact a significant range of the Agency's operations, and, more importantly, will benefit current and future program participants and the community at large. The proposed activities, described in detail in Section V of this report, are:

1. Create a standard utility allowance – Housing Choice Voucher (HCV) Program
2. Require a minimum two-year stay for Project-Based Voucher (PBV) residents before they are eligible to receive a tenant-based voucher
3. Create an affordable housing acquisition and development fund
4. Create an affordable housing preservation fund for HACSC- and affiliate-owned properties
5. Expand tenant services at HACSC- or affiliate-owned affordable housing properties

Proposed Activity 1 – creating a standard utility allowance in the HCV program – represents an additional efficiency in the HCV program which will make the program structure and rules

easier for tenants to understand. This activity will also reduce staff time currently spent on an administrative process that is overly complex and prone to error.

Proposed Activity 2 – requiring a minimum two-year initial stay for residents in units assisted with project-based vouchers (PBV) – would have a stabilizing effect on occupancy at PBV sites, and would allow HACSC to serve more people from the HCV waiting list.

Proposed Activities 3 and 4 – setting aside MTW funds for affordable housing preservation and development – support the MTW statutory goal of increasing housing choices for low-income households.

Proposed Activity 5 – expanding tenant services– would expand and carefully target the types of services that HACSC provides to tenants at its affordable housing properties.

HACSC’s ability to plan and propose these last three activities was made possible by an amendment last year to HACSC’s MTW Agreement with HUD. This important amendment gives HACSC an additional tool to support locally designed solutions to affordable housing needs: it allows the Agency to propose and (upon HUD approval) implement activities that may fall outside of Section 8 (HCV program) and Section 9 (public housing) but that meet the goals of the MTW program.

HACSC anticipates that proposed Activities 3 and 4, if approved, will together enable the Agency to develop or preserve and rehabilitate over 750 units of affordable rental housing in the next five years. Most of these units are expected to serve very low and extremely low income residents. HACSC may participate in the development or rehabilitation efforts through any project phase, from land acquisition through development, construction, and operation. Existing units in HACSC’s portfolio will undergo capital needs assessments and will receive, based on priority, the necessary capital and financial investment to ensure their long-term quality and affordability.

The ability to have this kind of impact is based not just on MTW budgetary and regulatory flexibility but on HACSC’s experience in recent disposition and renovation of its public housing stock, which involved all aspects of affordable housing development, including finance, development, and construction.

Section V of this report describes in more detail the new activities that HACSC is proposing for FY2012. The table at the end of this overview lists all of HACSC’s approved and proposed MTW activities, indicates when each activity was proposed and implemented, and identifies which MTW statutory objective(s) each activity addresses.

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 subsidy. In all its operations, HACSC will strive to be 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. HACSC is also preparing to design and test MTW rent reform activities that will build and rely on existing community partnerships for their success. Data from the needs assessment commissioned by HACSC shows a need for almost 31,000 affordable units for extremely low income households. Because of the notably low vacancy rates currently experienced in the county (about 2.3%), providing housing vouchers can address only some of the need; more housing must be built. The preliminary results of a housing needs assessment have already been useful in framing the possibilities for targeted tenant self-sufficiency programs that recognize 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 two years, HACSC also successfully launched its participation in 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 FY2012 if funding is available.

HACSC is improving its Section 8 program administration and data tracking through replacement of its Section 8 program software, a simultaneous business process review, and near completion of a data recovery process. Finally, HACSC expects to complete the final phase of public housing disposition in FY2012 and is in the process of transitioning the day-to-day management of its properties to third-party property management.

OVERVIEW OF HACSC'S MTW ACTIVITIES

Activity # (Plan year proposed + Activity #)	Activity	MTW Statutory Objectives		
		Reduce cost and achieve greater cost effectiveness in federal expenditures	Provide incentives to families ... leading toward economic self- sufficiency	Increase housing choices for low-income families
IMPLEMENTED ACTIVITIES				
2009-1	Reduced Frequency of Tenant Reexaminations	X		
2009-2	Simplification and Expediting of the Income Verification Process	X		
2009-3	Reduced Frequency of Inspections	X		
2009-4	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	

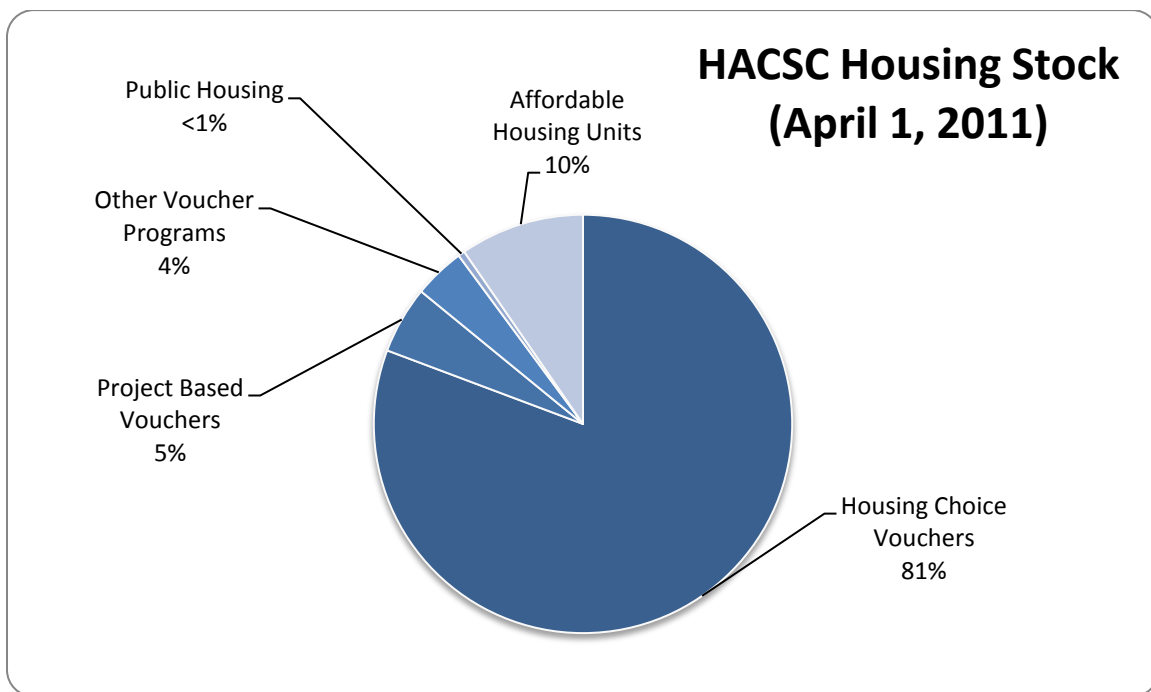
Activity # (Plan year proposed + Activity #)	Activity	MTW Statutory Objectives		
		<i>Reduce cost and achieve greater cost effectiveness in federal expenditures</i>	<i>Provide incentives to families ... leading toward economic self- sufficiency</i>	<i>Increase housing choices for low-income families</i>
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
2011-2	Simplify requirements regarding third-party inspections and rent services	X		
PROPOSED ACTIVITIES				
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	

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 leased in FY2012, 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 and has 20 public housing units in its portfolio.



A. HOUSING STOCK INFORMATION

Public Housing Units and Planned Capital Expenditures:

HACSC currently has 20 public housing units remaining in its housing stock. These units were renovated during FY2010 using ARRA and Capital Grant funds. HACSC was granted HUD approval on September 26, 2007, for the disposition of its 555 public housing units. Through this disposition, HACSC has improved supportive services for all of the 555 rehabilitated units.

In FY2009, 200 public housing units were transferred to a tax-credit limited partnership managed by a HACSC affiliate. In FY2011 (on November 19, 2010), HACSC transferred ownership of an additional 335 public housing units to a tax-credit limited partnership managed

by an HACSC affiliate. The remaining public housing properties will transfer ownership and convert to PBV in FY2012.

MTW Housing Choice Voucher Units Authorized: 16,613

- 15,607 Tenant-Based HCV
- 1,006 PBV units

Non-MTW Housing Choice Voucher Units Authorized: 765

- 53 Mainstream vouchers
- 100 FUP vouchers
- 10 NED vouchers
- 335 VASH vouchers
- 93 Moderate Rehabilitation units
- 174 S+C units

Non-MTW / Non-Voucher Local Housing Program: 10

- 10 units of Tenant Based Rental Assistance for the City of Sunnyvale

Number of HCV Units to be Project-Based:

HACSC anticipates project-basing a total of 813 of its tenant-based vouchers through FY2016. Of the 813 units, 145 are new construction projects awarded through a Request for Proposals (RFP) competitive selection process in 2007. These projects are each currently under an Agreement to Enter into Housing Assistance Payments Contract (AHAP) and are anticipated to be ready for occupancy beginning in FY2012.

HACSC expects to project-base 80 units designated for special needs populations in FY2012. HACSC allocated 20 PBV units for the remaining public housing complexes which are completing the disposition in FY2012.

In accordance with MTW Activity 2010-4, 568 of the 813 tenant-based vouchers are expected to be project-based starting FY2012 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. Seifert House, San Jose
6. Park Ave, San Jose

Other Housing Planned to be Managed by HACSC as of April 1, 2011

Tables 1 through 4 list affordable housing properties that are currently managed by Property Management, Inc., an affiliate of HACSC. It is anticipated that management of these units will transfer to a third-party property manager during the remainder of FY2011 and in FY2012. Table 5 lists properties that are currently under third-party property management.

Table 1: Tax Credit Senior Housing

NAME AND LOCATION	NUMBER OF UNITS
Cypress Gardens, San Jose*	125†
Avenida Espana Gardens, San Jose	84
DeRose Gardens, San Jose	76
Lenzen Gardens, San Jose*	94†
Morrone Gardens, San Jose	102
Villa Hermosa, San Jose	100
Bracher Senior Apartments, Santa Clara	72
Rincon Gardens, Campbell*	200†
John Burns Gardens, Santa Clara	100
Sunset Gardens, Gilroy*	75†
TOTAL	1,028

*These properties also include non-elderly disabled.

†These properties include Projected-Based Vouchers

Table 2: Tax Credit Family Housing

NAME AND LOCATION	NUMBER OF UNITS
San Pedro Gardens, Morgan Hill	20
Julian Gardens, San Jose	9†
Lucretia Gardens, San Jose	16†
Poco Way Apartments, San Jose	129†
Miramar, Santa Clara	16†
RiverTown Apartments, Santa Clara	100
Opportunity Center for Homeless, Palo Alto	89†
TOTAL	379

†These properties include Projected-Based Vouchers

Table 3: Farm Worker Housing

NAME AND LOCATION	NUMBER OF UNITS
Arturo Ochoa Migrant Housing Center, Gilroy (funded through State of California)	100
TOTAL	100

Table 4: Other Housing

NAME AND LOCATION	NUMBER OF UNITS
Villa Garcia Apartments, San Jose (HUD 236, Section 8 PBA)	80
Villa San Pedro Apartments, San Jose (Section 8 221(d)3, CHRP, Section 8 PBA)	100
Seifert House, San Jose	3
TOTAL	183

Table 5: Tax credit properties under third-party management

NAME AND LOCATION	NUMBER OF UNITS
Pinmore Gardens, San Jose	51
The Willows, San Jose	47
Helzer Courts Apartments, San Jose	155
Huff Gardens, San Jose	72†
Blossom River Apartments, San Jose	144
Klamath Gardens, Santa Clara	17
El Parador, San Jose	125
TOTAL	611

†These properties include Projected-Based Vouchers

B. PLANNED LEASING INFORMATION

HACSC will continue to meet or exceed 100% lease up of its Housing Choice Voucher and Public Housing programs in FY2012. HACSC anticipates no difficulties in maintaining full lease-up of its vouchers. However, due to historically low voucher turnover rates in FY2010 and FY2011 that are predicted to continue in FY2012, the Agency expects continued over-leasing during FY2012. Over leasing allows HACSC to meet multiple program commitments including vouchers for the chronically homeless, for project-basing HACSC-owned and other units, and for the thousands 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 and rent reform possibilities. In FY2012, HACSC anticipates leasing approximately 101% of its baseline of 16,779 MTW vouchers, and plans to fund this activity through its accumulated MTW reserve fund while evaluating sustainability of this position. HACSC does not plan on over-leasing its Non-MTW vouchers and anticipates 100% lease-up of these 765 vouchers.

C. WAITING LIST INFORMATION

With its MTW authority, 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 Jose (CA056). HACSC has seven waiting lists: site-based waiting lists for its three former senior

public housing properties and one family public housing site, and waiting lists for its HCV, PBV and Moderate Rehabilitation programs.

The public housing waiting lists were purged in FY2011 and the updated waiting lists are being used to fill the vacancies that occurred at the former public housing properties which converted to PBV. As the waiting lists are exhausted, vacancies at these sites are being filled from the PBV waiting list.

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 has recently purged 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 FY2012.

III. NON-MTW RELATED HACSC INFORMATION

HACSC will continue in FY2012 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 special needs populations, often through partnerships. To achieve this, HACSC has:

1. Contracted with an independent consultant to provide a Housing Needs Assessment for the county to help form HACSC's future policies and rent reform initiatives.
2. Developed a successful collaboration with the Veterans Administration in administering the Veterans Affairs Supportive Housing (VASH) program. As of April 1, 2011:
 - 227 homeless veterans were housed with VASH vouchers
 - 103 veterans were issued vouchers (pending lease-up)
3. Allocated vouchers in past years to support approved MTW activity #2009-5, a direct voucher referral program for the chronically homeless. As of April 1, 2011:
 - 607 chronically homeless were housed
 - 70 chronically homeless families were issued vouchers (pending lease-up) and 50 chronically homeless families are in the eligibility process

In FY2012, HACSC may allocate additional vouchers to support this activity if funding is available.

4. Partnered with the County Department of Family and Children's Services in implementing the 100 voucher Family Unification Program. As of April 1, 2011:
 - 100 families were housed
 - 215 children were reunited with their families
5. Released a Request for Proposal for 80 project-based vouchers for existing or new construction projects that will serve elderly, disabled, or chronically homeless individuals or families.
6. Contracted with the City of Sunnyvale to administer their Tenant Based Rental Assistance Program for low-income residents of the city.
7. 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.

8. 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. Begun the process of transitioning to a new software system that will grow with the Agency as it continues to implement its MTW goals.
 - Selected a new software provider, Emphasys Elite
 - Developed and executed a new software implementation plan
 - Conducted a business process review that will streamline processes in conjunction with the new software implementation
2. Continued a process to recover and secure data lost in a technology failure in FY2010.
 - Recovered 1.7 million pages of scanned data
 - Contracted with a consultant to evaluate HACSC's current IT processes
 - Implemented steps to assure ongoing integrity of electronic information

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.
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.

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 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 FY2012 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 FY2011 to inform its future MTW and non-MTW initiatives. A major focus will be on the research and design of a rent reform initiative aimed at supporting and incentivizing tenant self-sufficiency. Such an activity will likely be launched as a pilot program and will leverage the talents and capacities of existing and new community partners. Any rent reform activity will need to take into account the reality that Silicon Valley is one of the least affordable areas of the country and that the jobs outlook for lower-skilled workers is not promising. The next steps in completing the needs assessment include conducting targeted interviews with current participant households and preparing a gaps analysis of services for participants and for the county as a whole.

V. PROPOSED MTW ACTIVITIES (HUD Approval Requested)

This section describes the five new MTW activities that HACSC is proposing to implement in FY2012.

1. Create standard utility allowance schedule – Housing Choice Voucher (HCV)
2. Two-year occupancy in PBV units before eligible to receive voucher
3. Create housing acquisition and development fund
4. Create housing preservation fund for HACSC-and affiliate-owned properties
5. Expand tenant services at HACSC- or affiliate-owned affordable housing properties

Create standard utility allowance schedule – Housing Choice Voucher (HCV) Program (Proposed Activity #2012-1)

DESCRIPTION OF MTW ACTIVITY

HUD regulations require that Housing Authorities maintain a utility allowance schedule for all tenant-paid and provided utilities, services and appliances. The allowance schedules must be categorized by unit type, unit size and the type of utility, service or appliance including the fuel type (such as, electricity, gas, etc.) using form HUD-52667. Utility rates are reviewed annually and any change in utility costs 10% or higher require a revised allowance. Utility schedules are used in the calculation of an assisted family's Housing Assistance Payment (HAP).

Calculating utility allowances under the current system is complex. HACSC uses three different utility allowance schedules based on different structure types: (1) semi-detached/low-rise attached units; (2) attached high-rise units; and (3) detached units and manufactured homes. Each schedule is then further categorized by unit size and utility type; the allowance for each utility type is then separated into a distinct allowance for each fuel type. The staff time spent to calculate the correct utility allowance and insure that the calculation is correct for unit type, unit size, utility type and fuel type is time consuming and can result in errors. Staff must re-verify and re-calculate the allowances every time a change in family income or contract rent necessitates a change in the HAP and family payment. The current outdated software also contributes to the error rate because any time a manual override is entered the software does not provide a safeguard to verify the accuracy of the Utility Allowance amount. HACSC is currently in the process of implementing new software that will reduce or eliminate this kind of error.

In this activity, HACSC is proposing two changes to the way utility allowances are currently calculated and applied to MTW families. The Agency proposes to:

1. Simplify the current system into one standard allowance per unit size; and
2. Analyze local utility rates and fuel costs (and adjust allowances if necessary) biennially instead of annually.

In analyzing current allowances, HACSC found that only about 3% of MTW families live in units in which the owner pays for all utilities. For the vast majority (about 97%) of families who do pay for utilities, the differences per utility/fuel type among the three schedules is 3% or less in most cases. This data supports the proposal for a single allowance for each unit size. In addition, about 43% of MTW families pay for water, sewer or trash collection and any one of these utilities can almost double the utility allowance the family is entitled to receive under the current calculation method. For this reason, HACSC has added water, sewer and trash collection as separate allowances per unit size to be added to the proposed standard utility allowance the family would otherwise receive.

RELATION TO STATUTORY OBJECTIVES

This activity addresses the statutory objective of achieving greater cost effectiveness in federal expenditures by creating a more efficient calculation of HAP and by reducing staff time needed to calculate a family's utility allowance at each transaction.

ANTICIPATED IMPACT OF THE ACTIVITY

This activity will decrease the staff time it takes to calculate utility allowances and will reduce the likelihood of errors associated with calculating allowances. 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 expect the sum total of allowances paid annually for utilities to change appreciably under the new system. Almost 83% of MTW families (13,155 families) will experience a \$10 or less change (increase or decrease) in their utility allowances, and an estimated 20 families will experience more than a \$50 decrease in their current utility allowances under the proposed system. HACSC does not anticipate any protected classes to be adversely affected by this activity. Individual choice of unit size and structure type are the factors that most affect the utility allowance.

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

* HACSC expects to update this baseline to the UA paid for fiscal year 2011 if the activity is approved for implementation in FY2012.

AUTHORIZATION FOR THE ACTIVITY

This proposed activity is authorized in HACSC's Moving To Work Agreement, Attachment C, Paragraphs D.2.a, and waives certain provisions of Section 8 (o) (1), (2), (3) and (10) and 8 (o) (A)-(H) of the 1937 Act and 24 CFR 982.508, 24 CFR 982.503, and 24 CFR 982.518 as necessary to implement HACSC's MTW Plan.

RENT REFORM IMPACT ANALYSIS

Because this activity changes the way rent is calculated for a participant's household, it qualifies as a rent reform initiative. To transition participants to the new standard utility allowance, HACSC will provide advance notice to affected families and advise them of their right to request a hardship claim. The new standard utility allowance will be used in the rent calculation at a family's next re-examination, interim re-examination, or move after adequate advance notice has been provided.

Families who experience more than a \$50 decrease in their utility allowance as a result of the implementation of this activity will qualify for a hardship exemption. For those families who request and qualify for the hardship exemption, increases in the utility allowance will be limited to \$50. Multiple factors were considered when determining the hardship policy amount such as administrative burden, internal cost to process the hardship review, current HACSC minimum rent, and impact to tenant payment.

The regular utility allowance will be applied at the next regular re-examination or the next change in unit (move), whichever comes first. HACSC will use Agency software to track households who are receiving the hardship exemption. Based on historical information, HACSC projects roughly 50% of the affected population will request a hardship exemption.

This activity is being made available for public review and included as a proposed activity in the public hearing held for the FY2012 MTW Annual Plan. The impact of this activity will be evaluated annually in HACSC's MTW Report.

Two-year occupancy in project-based unit before eligible to receive voucher
(Proposed Activity #2012-2)

DESCRIPTION OF THE ACTIVITY

Under current Project Based Voucher (PBV) regulations, a family residing in a PBV unit for one year may request continued assistance if they choose to terminate their PBV lease and move. These families must be offered an available Housing Choice Voucher (HCV) (or comparable tenant-based rental assistance) upon moving, thus allowing these families to take precedence over families from the HCV waiting list. If the assistance is not immediately available, the family is given priority to receive the next available voucher.

With this activity, HACSC is proposing that a PBV family would be required to remain two full years in a PBV unit before becoming eligible to request continued assistance with a tenant-based voucher when moving. This activity will not apply to families: (1) with an approved reasonable accommodation that requires them to move from their PBV unit, (2) who experience a change in family composition that affects the size of the unit, or (3) who present a compelling reason to move out of the PBV unit (will be reviewed on a case by case basis). Circumstances surrounding the request to move, such as VAWA requirements, employment opportunities in other Public Housing Authority jurisdictions, and availability of tenant-based vouchers will be considered.

RELATION TO STATUTORY OBJECTIVES

This activity addresses the statutory objective of achieving greater cost effectiveness in federal expenditures by reducing Agency costs and staff time spent on processing turnover in PBV units. This activity also increases housing options for families from the Housing Choice Voucher (Section 8) waiting list who may receive a rental assistance voucher sooner. As of April 1, 2011, no families have been taken from the Housing Choice Voucher waiting list to receive a Section 8 MTW voucher. It is anticipated this trend will continue throughout the remainder of the fiscal year.

ANTICIPATED IMPACT OF THE ACTIVITY

HACSC anticipates that this activity will contribute to the stability of occupancy in the PBV program and may contribute to a modest decrease in the number of PBV vacancies (in comparison to the total of PBV units) and associated turnover costs, including vacancy payments. This activity will also reduce the staff time spent processing these move-outs and re-filling the vacant PBV units.

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 2012-2: Two-Year Occupancy in Project-Based Unit before Eligible to Receive Voucher		
Metrics	Baselines (FY2010)*	Benchmarks
% of PBV vacancies during a one-year period	11% (111)	9% (91)
Total labor hours spent processing moves with continued assistance for families living in their PBV unit less than 2 years	66	0
Owner costs associated with turning over vacant PBV units (for families living in their unit less than 2 years who move with continued assistance)	\$7,975	\$0
Number of applicants from the Housing Choice Voucher Waiting List who will receive a Section 8 MTW Voucher due to this activity†	0	20

* HACSC expects to update this baseline to the percentage of PBV vacancies for fiscal year 2011 if the activity is approved for implementation in FY2012.

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

AUTHORIZATION FOR THE ACTIVITY

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

**Create affordable housing acquisition and development fund
(Proposed Activity #2012-3)**

DESCRIPTION OF MTW ACTIVITY

In this activity, HACSC will use its MTW funds and its development experience to support affordable housing acquisition and development in Santa Clara County. HACSC will seek and pursue opportunities to build new rental housing units as well as to acquire existing land and/or units and construct or rehabilitate them as necessary.

HACSC and its affiliates currently own, manage or control 2,400 units of affordable rental housing across the county, almost all of which are affordable to very low and extremely low income residents. HACSC's goal in this activity is to increase this supply of quality rental housing that is available and affordable to low-, very low, and extremely low income residents of Santa Clara County. HACSC will pursue this goal through a variety of methods and will strive to serve a range of resident populations (including but not limited to disabled, senior, foster youth, homeless, and extremely low income households).

To maximize its potential for success, HACSC may use its MTW flexibility to purchase land and/or improvements, or participate in project ownership/development by providing financing for direct construction or rehabilitation costs. HACSC may leverage, where possible, additional funds from private and public sources (including Low Income Housing Tax Credits). In its projects, HACSC will pursue, where appropriate, partnerships with funders that support energy conservation and renewable energy in building design. Costs of site acquisition and construction or rehabilitation of sites may be borne directly by HACSC or by a HACSC affiliate or in a joint venture with another developer/partner.

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

This activity addresses the statutory objective of increasing housing choices for low-income families.

ANTICIPATED IMPACT OF THE ACTIVITY

The broader use of funds authority under HACSC's MTW agreement makes this initiative possible. At a time when federal, state and local sources of funds for affordable housing are shrinking, this activity will enable HACSC to jumpstart the creation and preservation of desperately needed low-income rental housing units across the county. The activity is expected to lead to the development or rehabilitation of up to 250 units over five years, with affordability for low-income tenants and with an affordability restriction on the properties of up to 55 years.

As an experienced and successful developer of affordable housing and as an MTW agency, HACSC is in a unique position to take a variety of actions to generate more development activities across the county. Many otherwise viable projects initiated by other developers are

stalled in the development process due to the recent lack of available funding; HACSC can step in and jumpstart projects that are fully entitled and approved for affordable housing.

PROPOSED BASELINES, BENCHMARKS, METRICS and DATA COLLECTION

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

Proposed Activity 2012-3: Create affordable housing development fund		
Metrics	Baselines (FY2011)	Benchmarks (by FY2016)
# of new affordable rental units developed or rehabilitated	0	250
\$ per unit invested in development of affordable units – HACSC MTW funds	0	\$60,000
\$ per unit leveraged to develop affordable units – other sources	0	\$300,000

AUTHORIZATION FOR THE ACTIVITY

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

**Create affordable housing preservation fund for
HACSC- and affiliate-owned properties
(Proposed Activity #2012-4)**

DESCRIPTION OF MTW ACTIVITY

Part of HACSC's mission is to provide stable, quality affordable housing to people with low and moderate incomes. In this activity, HACSC will use its broader use of funds authority to ensure the long-term stability and viability of existing HACSC- and affiliate-owned rental housing properties.

HACSC has a substantial portfolio of properties (over 1500 units) that need capital investment and potentially re-syndication of tax credits in order to maintain the quality and quantity of units provided to low-, very low, and extremely low income seniors and families. In this activity, HACSC will conduct detailed capital needs assessments and review financial projections at each site, establish priorities for rehabilitation and refinancing, and explore options for upgrading units over a multi-year period.

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

This activity addresses the statutory objective of increasing housing choices for low-income families.

ANTICIPATED IMPACT OF THE ACTIVITY

This activity is expected to lead to the preservation of up to 500 units through 2016, with affordability for tenants at 60% of area median income or below, and with an affordability restriction on the properties of at least 55 years.

HACSC is nearing completion of the rehabilitation and preservation of 555 units of former public housing, successfully financed with tax credits and ARRA funds. The experience and lessons learned from this major endeavor will be applied to the proposed MTW activity, which will allow HACSC to rehabilitate and preserve the rest of its affordable housing portfolio over the coming years.

This activity will allow HACSC to respond to both planned and unforeseen events and conditions that may impact the Agency's affordable housing portfolio—impacts that could result in unsustainable financial losses, less than desirable living conditions for residents, or non-compliance with affordability restrictions.

The preservation fund will provide predevelopment financing for existing low-income housing projects developed or owned by HACSC in Santa Clara County. These funds will also allow HACSC, either directly or through its affiliates, to take advantage of opportunities to leverage funds from other sources and to secure various guarantees (such as operating deficit, tax

indemnification, and loan repayment guarantees) associated with the properties. Finally, to complete the transition to a more cost-effective business model for property management, HACSC will use these funds to pay for up to \$3 million in property management-related obligations incurred since the beginning of HACSC's MTW contract period.

HACSC also may use the preservation fund, if necessary, to fulfill a five-year guarantee to meet operating deficits up to a total of \$1.9 million that HACSC needed to make to the limited partnership owner of the former "Phase II" public housing units as part of the transaction. This use of the fund, if needed, would be instrumental to the preservation of 335 low-income units.

PROPOSED BASELINES, BENCHMARKS, METRICS and DATA COLLECTION

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

Proposed Activity 2012-4: Create affordable housing preservation fund for HACSC- and affiliate-owned properties		
Metrics	Baselines (FY2011)	Benchmarks (by FY2016)
# of affordable rental units in sites with unaddressed capital improvement needs	1,500	1,000
\$ invested in preservation of affordable units – HACSC MTW funds	0	\$6 million
\$ leveraged to preserve affordable units – other sources	0	\$14 million

AUTHORIZATION FOR THE ACTIVITY

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

**Expand tenant services at HACSC- or affiliate-owned affordable housing properties
(Proposed Activity #2012-5)**

DESCRIPTION OF MTW ACTIVITY

In this activity, HACSC proposes to use its broader use of funds authority to expand its provision of programs and services for its tenants living at HACSC- or affiliate-owned non-Section 8/9 affordable rental properties. Such programs and services could include but are not limited to educational classes, life skills training, after-school programs, case management, resource services, social programs, and emergency assistance. Programs and services would vary based on the needs of each senior or family property. Tenant participation in classes and other programs would be optional.

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

This activity addresses the goal of creating incentives for program participants to actively pursue economic self-sufficiency.

ANTICIPATED IMPACT OF THE ACTIVITY

This activity will allow HACSC to expand the reach of services it currently offers to its tenants. In partnership with third-party providers, HACSC and its affiliates currently offer a range of services and programs at more than half of the properties (16 of 26). Ten of these properties are former (or soon to be former) public housing sites; third-party services and programs have been brought to these sites just within the past two years. The other six properties currently receiving third-party services are non-Section 8/9 sites; services at these sites have to date been possible through grant funding, funding that expired during FY2011. At all sites, these services have demonstrated, at least anecdotally, that on-site interventions have a stabilizing effect on the properties and foster independence and a heightened sense of community among the tenants. Under this MTW activity, HACSC will be able to fund these important services at any of its non-Section 8/9 properties where property income cannot cover costs.

An initial resident needs survey will identify and prioritize potentially appropriate services at each site. Planning for tenant services will be guided by the fact that the provision of housing alone is often not enough to help provide stability and encouragement to a resident enduring economic hardship. By the careful selection and tailored delivery of programs and services to each community, tenants can gain some or all of the necessary skills to address daily living requirements, maintain housing, and possibly re-enter or move up in the work force, if applicable. In addition, tenants can obtain guidance on real life problems and enjoy social activities that encourage peer interaction and promote personal and financial stability and self-reliance.

Based on recent experience with introducing services at other housing properties, HACSC anticipates that this MTW activity will help many tenants improve their economic self-sufficiency skills and generally stabilize their housing situation. The activity will also enhance staff productivity in property management, reducing the administrative burden of processing avoidable evictions and failed tenancies. To date, HACSC has not formally measured the impact of resident services. To better understand the outcomes of this MTW activity, HACSC proposes to develop and conduct a baseline survey of tenants during the Plan year and annual follow-up surveys thereafter. Specific metrics will be created as part of the development of the initial survey.

PROPOSED BASELINES, BENCHMARKS, METRICS and DATA COLLECTION

Data related to this activity will be collected at least annually from property management records, reports from and audits of third-party service providers, and survey results. As this activity is implemented, HACSC may revise the activity's metrics and further quantify and refine its performance baselines and benchmarks.

Proposed Activity 2012-5: Expand tenant services at HACSC- or affiliate-owned affordable housing properties		
Metrics	Baselines (FY2011)	Benchmarks
Total # of hours of services/programs provided at non-Section 8/9 properties, per year	3,936	11,736
# of non-Section 8/9 properties receiving services	6	16
Metrics to be developed regarding tenant satisfaction with resident services and improvements in self-sufficiency and housing stability	TBD (pending survey development)	TBD (pending survey development)

AUTHORIZATION FOR THE ACTIVITY

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

VI. ONGOING MTW ACTIVITIES (HUD Approval Previously Granted)

To date, HACSC has had twenty-one (21) 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 2011. Detailed descriptions of these activities are found in the Annual Plan for the year in which they were proposed. The impacts of implemented activities are described in detail in HACSC's FY2009 and FY2010 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	Simplification and Expediting of the 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 FY2011 and 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. Procedures are being developed to ensure fair housing compliance.
2009-9	Utilization of Low Income Housing Tax Credit (LIHTC) Tenant Income Certification (TIC) for Income and Asset Verification	Implemented in early FY2010 in the initial lease up of Corde Terra Apartments, a 199 unit senior complex entered into its initial PBV HAP contract. Will be implemented for other tax credit PBV sites during initial lease up and at regular reexaminations once the procedure has been finalized and if the owner is in agreement to provide the TIC's. It is estimated the implementation will be completed by FY2012.
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 in FY2009 and FY2011. This activity will also be used in the disposition of HACSC's remaining three public housing projects in FY2012.

Activity #	Activity Name	Implementation Status
2009-11	Project-Base 100% of Units in Family Projects	Implementation started in FY2010 and expected to be completed in FY2012.
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 FY2011 and ongoing.
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.

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

A. SOURCES AND USES OF MTW FUNDS

<i>FY 2012 Planned Sources</i>	Public Housing	Section 8 - MTW	MTW Consolidated
Rental Revenue	19,863		19,863
Section 8 HAP Funding		240,128,108	240,128,108
Operating Subsidy	11,426		11,426
Administrative Fee		15,673,522	15,673,522
FSS Coordinator Fee		270,150	270,150
Other Revenue (Laundry)	110		110
Other Revenue (Compliance Fee, Note Interest)*		119,664	119,664
Operating Revenue Sources:	31,399	256,191,444	256,222,843
Non Operating Revenue (Land Lease)		130,039	130,039
Total Sources (Before Transfers)	31,399	256,321,483	256,352,882
Transfer from Operating Reserves	2,491		2,491
Transfers From MTW Reserves - Shortfall in Admin Fee		3,941,620	3,941,620
Transfers From MTW Reserves - Shortfall in Planned Expenditures		40,473,327	40,473,327
Total Sources	\$33,890	\$300,736,430	\$300,770,320
*Includes BMR compliance fees of \$ 82,415 & loan interest of \$37,249 on Pre-2004 Admin Fees advanced to Villa Garcia Property.			

<i>FY 2012 Planned Expenditures</i>	Public Housing	Section 8 - MTW	MTW Consolidated
Administrative and Operating Expenses *	\$15,605	\$19,243,689	\$19,259,294
Tenant Services	3,399		3,399
Utilities	3,808		3,808
Maintenance & Operations	2,471		2,471
Contract Costs & Protective Services	8,607		8,607
Facilities Consolidation Expenditures Fund		7,000,000	7,000,000
Capital Expenditures**		660,300	660,300
Subtotal	\$33,890	\$26,903,989	\$26,937,879
Housing Assistance Payments (HAP)		250,935,000	250,935,000
Total Planned Expenditures, before Transfers	\$33,890	\$ 277,838,989	\$ 277,872,879
Transfers to MTW Admin Reserves - Shortfall in Admin Fee		3,941,620	3,941,620
Asset Management- Propotionate Costs re: PH, former PH & PB Section 8		761,064	761,064
Inter Program Transfers-NED, FUP & Mainstream Exps. (see below)		(205,243)	(205,243)
Activity 2012-4 Transfer to Development Fund		15,000,000	15,000,000
Activity Fund 2012-5 Transfer to Preservation Fund		3,000,000	3,000,000
Activity Fund 2012-6 Expanded Tenant Services		400,000	400,000
Total Planned Expenditures	\$ 33,890	\$ 300,736,430	\$ 300,770,320

Public Housing = 20 units at 3 sites for 3 months - expected disposition by 9/30/2011.

*Includes needs assessment consultant fees, Sec 8 program administration improvements, Sec 8 data recovery costs.

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

B. SOURCES AND USES OF NON-MTW FUNDS**B.1. Sources and Uses of Federal Non-MTW Funds**

<i>FY 2012 Planned Sources</i>	Section 8 Mod Rehab	Shelter Plus Care	Section 8, Non-Elderly & Disabled (N.E.D.)	Section 8, VASH	Section 8, Mainstream	Section 8, FUP	Total
Section 8 Subsidy	1,136,700		143,160	3,832,567	651,820	1,954,950	7,719,197
Administrative Fee	117,103	267,836	12,592	421,819	66,735	125,916	1,012,001
Other Revenue/Grant	1,130	3,080,088		6,000			3,087,218
Total Sources	1,254,933	3,347,924	155,752	4,260,386	718,555	2,080,866	11,818,416

<i>FY 2012 Planned Expenditures</i>	Section 8 Mod Rehab	Shelter Plus Care	Section 8, Non-Elderly & Disabled (N.E.D.)	Section 8, VASH	Section 8, Mainstream	Section 8, FUP	Total
Administrative Expenses	196,770	94,949		121,802			413,521
Other Operating and General Expenses	218,541	111,947	-	169,356	-		499,844
Subtotal (Before HAPS and Transfers)	415,311	206,896	-	291,158	-	-	913,365
Housing Assistance Payments (HAP)	1,136,700	3,080,088	143,160	3,832,567	651,820	1,954,950	10,799,285
Interprogram Transfers- Vouchers	-	-	12,592	-	66,735	125,916	205,243
Transfer in/Out - Operating Reserves	(297,078)	60,940	-	136,661			(99,477)
Total Planned Expenditures	1,254,933	3,347,924	155,752	4,260,386	718,555	2,080,866	11,818,416

B.2. Sources and Uses of State and Local Funds

<i>FY 2012 Planned Sources</i>	Migrant Center	TBRA (City of Sunnyvale)	Total
Rental Assistance		154,000	154,000
Administrative Fee		21,000	21,000
Other Revenue/Grant	137,211		137,211
Total Sources	137,211	175,000	312,211

<i>FY 2012 Planned Expenditures</i>	Migrant Center	TBRA (City of Sunnyvale)	Total
Administrative Expenses	30,125	14,548	44,673
Utilities	32,333		32,333
Maintenance & Operations	61,598		61,598
Other Operating and General Expenses	13,155	6,452	19,607
Subtotal	137,211	21,000	158,211
Housing Assistance Payments (HAP)		154,000	154,000
Total Expenditures	137,211	175,000	312,211

C. SOURCES AND USES OF COCC

All Public Housing COCC net revenue will be used during FY2012 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. 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.

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 will 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. 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 2012 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 FY2012, 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 purchase and launch of new voucher program software will support this effort.

Appendix One

Board Resolution #11-01 approving the submission of the FY2012 Annual MTW Plan to HUD and certifying compliance with regulations.

RESOLUTION NO. 11-01

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE
HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA –
APPROVAL OF FY2012 MOVING TO WORK (MTW) ANNUAL PLAN

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Housing Authority of the County of Santa Clara, State of California, that approved the Moving to Work (MTW) Annual Plan for Fiscal Year 2012 and authorized the Housing Authority of the County of Santa Clara (HACSC) and the Housing Authority of the City of San Jose (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 12, 2011, during a special board meeting, held at 505 W. Julian Street., City of San Jose, State of California, upon motion from Commissioner Hayden and seconded by Commissioner Espinosa-Howard with the following vote:

AYES: 5

NAYS:

ABSTAIN:

ABSENT: Carl Guardino


William Anderson, Chair

ATTEST: 
Alex Sanchez, Secretary/Executive Director

APPROVED AS TO FORM AND LEGALITY: 
Katherine Harasz, General Counsel

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, 2011, 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;

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
PHA Name

CA056
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
Name of Authorized Official


Signature

Chair, HACSC Board of Commissioners
Title

APRIL 12, 2011
Date

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, 2011, 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;

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
PHA Name

CA059

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
Name of Authorized Official

Signature

Chair, HACSC Board of Commissioners
Title

Date

Appendix Two

This appendix documents the public review process and summarizes the comments received related to the draft MTW Annual Plan for FY 2012.

The draft MTW Plan for FY2012 was made available for public review in its main office and on the HACSC's website at www.hacsc.org from February 26 to March 28, 2011. In addition, one-page summaries of the Plan were available in English, Spanish and Vietnamese.

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; *El Observador*, a Spanish language newspaper, and *Vietnam Daily News*, a Vietnamese language newspaper. 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 to be held March 28, 2011 (Exhibits 1-3).

II. Community Stakeholder Meetings

Prior to the public hearing, HACSC invited several key community stakeholders to attend a meeting at HACSC to review the proposed activities for the upcoming plan year and to comment on the draft FY2012 MTW Plan. The meeting was scheduled and held at HACSC's main office on March 16, 2011. Ten local agencies were invited and representatives from four of those agencies attended. Although there were several questions about the proposed activities, comments were generally favorable.

HACSC also held a conference call to receive input from groups who provide legal services and housing advocacy for HACSC's clients. The call took place on March 16, 2011 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 (see Section V of this Appendix).

III. Public Hearing

The public hearing regarding the proposed FY2012 MTW Plan was held on Monday, March 28, 2011 at 3:00 p.m. Director of Housing Programs Louise Hofmeister provided an overview of the Plan, and then audience members were invited to speak.

Fourteen community representatives attended the hearing and seven made public comments on the Plan. The hearing was recorded and the speakers' key points are consolidated and summarized below. HACSC will consider these comments as we continue to develop and implement our MTW plan.

Four speakers requested continued funding for the chronically homeless in FY2012. The speakers represented local non-profit or government agencies as follows:

1. EHC Life Builders, a community agency serving the homeless
2. Santa Clara County Mental Health Department
3. San Jose/Silicon Valley Chamber of Commerce
4. Destination: Home, a public-private partnership dedicated to ending homelessness in the county

These speakers requested the inclusion of explicit language in the Plan to designate 200 vouchers for the chronically homeless in FY2012.

HACSC Comment: Due to current economic uncertainties, HACSC had removed language guaranteeing the set-aside of vouchers for the chronically homeless in FY2012. In response to comments, language in Sections I and III now indicates that the 200 vouchers may be allocated for the chronically homeless depending on funding availability. The agency will continue to assist the homeless through its allocation of HUD-VASH vouchers and through prior allocations of HCV vouchers.

Three other speakers commented during the hearing:

5. A speaker from Senior Housing Solutions, a community agency that provides the low-income elderly with affordable housing:

The speaker asked that HACSC include resident services funding not just for working families but also for the elderly to remain independent and housed. The speaker also supported the continuance of allocating Project Based Vouchers for special needs populations, specifically for senior citizens.

6. An attorney representing the Mental Health Advocacy Project of the Law Foundation of Silicon Valley spoke in support of:

- Simplifying utility allowances, but asked that HACSC continue utility allowance payments for eligible families.

HACSC Comment: HACSC has considered this remark and will continue utility allowance payments to eligible families under this activity for FY2012.

- Using MTW funds to create and preserve affordable housing in the county and asked that HACSC ensure such housing is available for the elderly, disabled and extremely low income families.

- Funding for resident services and asked that such funding include services that will increase the success of tenants, such as case management and increased training of on-site property managers.
 - Including explicit language in the Plan to designate vouchers for the chronically homeless in FY2012.
7. A staff member from the Ecumenical Association for Housing, a non-profit corporation that develops affordable housing:

The speaker commented in support of HACSC joint ventures with affordable housing developers.

IV. Correspondence

HACSC received 24 written comments during the public review period of the draft MTW Annual Plan.

Twenty-three (23) comments supported continued funding for the chronically homeless in FY2012. The writers asked that language be included in the Plan to explicitly set aside 200 vouchers in FY2012 for the direct referral of chronically homeless individuals and families from case management agencies. Below is the list of agencies and private citizens who wrote regarding this issue.

1. The Gilroy Homeless Outreach Task Force
2. First Christian Church of San Jose
3. Home Base: The Center for Common Concerns, a non-profit, public policy law firm that works with communities to develop effective and humane responses to homelessness
4. A private citizen and advocate for the homeless
5. Destination: Home, a public-private partnership dedicated to ending homelessness
6. EHC Life Builders, a non-profit agency that assists the homeless
7. A resident of Campbell, California
8. A resident of San Jose, California
9. The Unitarian Universalist Church of Palo Alto
10. A Santa Clara County resident
11. Peninsula Interfaith Action, a coalition of 30 local congregations that advocates on the behalf of policies that serve the needs of people, including the very-low income and homeless
12. Community Technology Alliance, a non-profit agency that develops technology solutions to prevent homelessness
13. 100,000 Homes for 100,000 Homeless Americans Campaign
14. The San Jose Silicon Valley Chamber of Commerce
15. Catholic Charities of Santa Clara County
16. St. Joseph's Family Center, a non-profit agency that serves the low-income and homeless in Gilroy, California

17. Palo Alto Downtown Streets Team, a public-private partnership working to eliminate and prevent homelessness in Palo Alto, California
18. Peninsula Healthcare Connection, a non-profit organization serving the needs of the homeless and those at risk of becoming homeless
19. The Director of the Mental Health Department of the Santa Clara Valley Health and Hospital System
20. The Homeless Concerns Coordinator of the Mental Health Department of the Santa Clara Valley Health and Hospital System
21. Santa Clara County Collaborative on Affordable Housing and Homeless Issues
22. The City of Santa Clara
23. Community Homeless Alliance Ministry (CHAM), an organization devoted to housing the homeless

HACSC Comment: Due to historically low voucher turnover rates, HACSC has been leasing more than 100% of its vouchers since 2009 and has been funding over-leasing from its reserve funds. In addition, continued congressional support of the voucher program at current levels is uncertain. Because of these conditions, the Agency is unable to guarantee the availability of additional vouchers for the chronically homeless as of this writing. By the end of FY2011, HACSC will have housed 732 formerly homeless individuals and families through these set-aside vouchers and the agency continues to assist local homeless veterans and their families through the 335-voucher HUD-VASH program.

In addition to the above, HACSC received a written comment from:

1. Senior Housing Solutions, a community agency that provides the low-income elderly with safe, affordable housing:

The writer asked that the supportive services described in proposed activity 2012-6 include socialization, case management and physical activities for the elderly and asked for the continuance of project-based vouchers for special needs populations, including the elderly.

V. Joint Statement from Bay Area Legal Aid and the Mental Health Advocacy Project of the Law Foundation of Silicon Valley (Exhibit 4)

Two legal services agencies collaborated in preparing an extensive item-by-item response to the MTW Draft Plan. Their comments were generally supportive of the MTW plan. A summary of their input that relates to the proposed activities for FY 2012 is below. HACSC will take all of the comments into consideration as we implement and further develop our MTW plan.

Proposed Activity 2012-1: Create Standard Utility Allowance Schedule

The agencies supported simplifying the current utility allowance system to ease administrative burden and increase participant understanding, but requested that:

- HACSC ensure that the standardized amounts reflect current realities in utility costs;

- Continue to pay utility allowance payments to eligible participants;
- Reduce the hardship exemption threshold to \$10 (currently set at \$50); and
- Allow for an allowance for air conditioning for units that have air conditioners.

HACSC Comments: The Agency has reviewed the comment regarding utility allowance payments and has decided to continue to provide utility allowance payments for eligible participants in FY2012. During this period we will examine further the extent of adverse impacts.

Most housing in Santa Clara County does not include central or wall unit air coolers because the climate in this area seldom requires it. HACSC offers utility allowances for air conditioning as a reasonable accommodation for persons whose health requires a climate controlled environment.

Proposed Activity 2012-2: Two Year Occupancy in Project-Based Unit

The writers request that participants who started their tenancy while the current one-year occupancy rule was in effect would not now be held to a two-year occupancy requirement.

HACSC Comment: HACSC agrees that only participants who lease a project-based unit after this activity's approval by HUD and upon implementation would be affected.

Proposed Activity 2012-3: Create Affordable Housing Development Fund

Proposed Activity 2012-4: Create Affordable Housing Preservation Fund

The agencies support the increase of affordable housing in Santa Clara County but ask that these housing projects target the neediest individuals and families, such as the elderly, disabled and extremely low income families. The writers also ask that HACSC adopt a transparent fair housing process when selecting any new developments for funding.

HACSC Comment: One of the statutory requirements of MTW is that participating housing authorities must continue to serve substantially the same mix of tenants, in terms of income level and family size, as they served before entering the MTW demonstration. HACSC's current portfolio of properties, including properties controlled by HACSC affiliates, overwhelmingly serves low- and extremely low income residents. HACSC's intent through these MTW activities is to preserve and increase the supply of rental properties that are affordable to these populations, as well as to those residents with special needs. Opportunities to create or preserve rental properties must be assessed individually for their potential to deliver on several key factors, including long-term financial viability, availability of appropriate financing, and priority of population(s) served. HACSC will continue to administer all of its programs in accordance with state and federal fair housing regulations.

Proposed Activity 2012-5: Expand Tenant Services at HACSC- or Affiliate-Owned Affordable Housing Properties

The agencies support the addition of resources for tenant services and ask for the addition of services that will help tenancy success such as intensive case management, mediation services and on-site property management staff training, but also request that such services be optional, not mandatory.

HACSC Comment: Tenant participation in the services currently provided is optional, and would also be optional under the proposed expansion of services. The Activity description has been updated to clarify this.

EXHIBIT 1

Public Notice- 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

S C COUNTY HOUSING AUTHORITY
505 W JULIAN ST
SAN JOSE CA 95110-0000

FILE NO. MTW Agency

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:

2/25/2011

Dated at San Jose, California
02/25/11

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.

0003876908

The Housing Authority of the County of Santa Clara (HACSC) is one of 33 Public Housing Authorities nationwide to be designated as a Moving to Work (MTW) Agency by the U.S. Department of Housing and Urban Development (HUD). The MTW Program provides HACSC with flexibility to develop policies that are outside the limitations of certain HUD regulations in order to enhance its ability to serve the housing needs of low-income people and communities in the City of San Jose and the County of Santa Clara.

HACSC creates an MTW Plan annually for the coming fiscal year. The Draft Plan for the fiscal year beginning July 1, 2011, and ending June 30, 2012, will be available for review from February 26, 2011, through March 28, 2011, at www.hacsc.org or at the HACSC main office during regular business hours:

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 3/4/11 and 3/18/11)

A public hearing will be held on Monday, March 28, 2011, at 3:00 p.m., at 505 W. Julian Street, San Jose, CA 95110.

Written comments from the public may also be submitted by March 28, 2011, via electronic correspondence or by U.S. mail to the following address:

Ron Marsh,
Administrative
Assistant
Housing Programs
Department
ronm@hacsc.org

or
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.

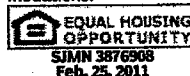


EXHIBIT 2

Public Notice- El Observador

La Autoridad de viviendas del condado de Santa Clara

(HACSC, por sus siglas en ingles) es una de 33 autoridades de vivienda pública a través de la nación que esta designada por el Departamento de viviendas y desarrollo urbano (HUD, por sus siglas en ingles) de los EE.UU. como una agencia movimiento hacia el trabajo (MTW, por sus siglas en ingles). El programa MTW provee a HASC con la flexibilidad para desarrollar políticas que están fuera de las limitaciones de ciertas regulaciones de HUD para realzar su disponibilidad de servir las necesidades de vivienda de personas y comunidades de bajos ingresos en la ciudad de San José y el condado de Santa Clara.

HACSC crea un plan MTW anualmente para el año fiscal siguiente. El borrador del plan para el año fiscal que comienza Julio 1, 2011, y termina Junio 30, 2012, estará disponible para ser revisado desde Febrero 26, 2011 hasta Marzo 28, 2011, en **www.hacsc.org** o en la oficina principal de HACS durante horas normales de oficina:

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

Horario de oficina: lunes a viernes 7:30 a.m. a 5:00 p.m. (cerrado 3/4/11 y 3/18/11)

Una audiencia pública tendrá lugar el lunes, Marzo 28, 2011, a las 3:00 p.m. en el 505 W. Julian Street, San Jose, CA 95110.

Comentarios del público, por escrito también pueden ser presentados hasta Marzo 28, 2011 a través de correspondencia electrónica o por correo postal a la siguiente dirección:

Ron Marsh, Administrative Assistant
Housing Programs Department
ronm@hacsc.org

o

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

De acuerdo con la Ley de Rehabilitación de 1973, la Autoridad de viviendas hará todo esfuerzo razonable para acomodar a personas con discapacidades. Por favor llame al **(408) 275-8770** al menos tres días antes del día de la audiencia pública si usted necesita acomodaciones especiales.



EXHIBIT 3

Public Notice- Vietnam Daily News

Cơ Quan Quản Lý Gia Cư Hạt Santa Clara (Housing Authority of the County of Santa Clara, HACSC) là một trong 33 Cơ Quan Quản Lý Gia Cư Công Cộng trên toàn quốc được chỉ định là Cơ Quan Moving to Work (MTW) bởi Bộ Gia Cư và Phát Triển Đô Thị Hoa Kỳ (U.S. Department of Housing and Urban Development, HUD). Chương Trình MTW mang lại sự linh hoạt cho HACSC để phát triển các chính sách nằm ngoài những hạn chế của các quy định nhất định của HUD nhằm tăng cường khả năng đáp ứng nhu cầu nhà ở của người có lợi tức thấp và các cộng đồng tại Thành Phố San Jose và Hạt Santa Clara.

HACSC hằng năm lập Kế Hoạch MTW cho năm tài chính tiếp theo. Kế Hoạch Dự Thảo cho năm tài chính bắt đầu ngày 1 tháng 7, 2011, và kết thúc vào ngày 30 tháng 6, 2012, sẽ được cung cấp để xem xét từ ngày 26 tháng 2, 2011, đến 28 tháng 3, 2011, tại www.hacsc.org hoặc tại văn phòng chính của HACSC trong giờ làm việc bình thường:

Housing Authority of the County of Santa Clara
505 West Julian Street, San Jose, CA 95110
Giờ Làm Việc: Thứ Hai-Thứ Sáu 7:30 sáng đến 05:00 chiều.
(đóng cửa vào ngày 4/3/11 và 18/3/11)

Một buổi điều trần công khai sẽ được tổ chức vào Thứ Hai, 28 tháng 3, 2011 lúc 3:00 chiều, tại 505 W. Julian Street, San Jose, CA 95110.

Công chúng cũng có thể gửi nhận xét bằng văn bản trước ngày 28 tháng 3, 2011, qua thư điện tử hoặc bưu chính Hoa Kỳ đến địa chỉ sau đây:

Ron Marsh, Administrative Assistant
Housing Programs Department
ronm@hacsc.org

hoặc

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

Theo Đạo Luật Phục Hồi (Rehabilitation Act) năm 1973, Cơ Quan Quản Lý Gia Cư sẽ có nỗ lực hợp lý để tạo điều kiện thuận lợi cho người khuyết tật. Vui lòng gọi số (408) 275-8770 ít nhất 3 ngày trước buổi điều trần công khai nếu quý vị cần sự trợ giúp đặc biệt.



EXHIBIT 4

**Joint statement from Bay Area Legal Aid and
Mental health Advocacy Project**

March 28, 2011

Mr. Ron Marsh
Housing Authority of the County of Santa Clara
505 W. Julian Street
San Jose, CA 95110

Re: MTW Plan for Fiscal Year 2012

Dear Mr. Marsh,

Bay Area Legal Aid and the Mental Health Advocacy Project of the Law Foundation of Silicon Valley submit the following comments regarding the Housing Authority of the County of Santa Clara's (HACSC) MTW Plan for Fiscal Year 2012.

Bay Area Legal Aid provides free civil legal services to low-income residents throughout the Bay Area, including Santa Clara County. The Mental Health Advocacy Project provides legal assistance to county residents that experience mental health or developmental disabilities. We submit these comments in the hope that they will facilitate a continued dialogue with HACSC and assist the agency in administering its housing programs in a manner consistent with its mission of promoting adequate and affordable housing.

Please consider the following recommendations and comments:

PROPOSED MTW ACTIVITIES FY 2012

Proposed MTW Activity #1: standard utility allowance schedule
[Page 18]

We agree that the current utility allowance system is administratively burdensome and difficult for tenants to understand. Standardizing the Utility Allowance amounts makes sense and will save valuable time and resources. We were glad to hear on the conference call that HACSC will make reasonable accommodations to the new policy for tenants with disabilities. We generally support standardizing utility allowance amounts, but have suggestions on how to adjust this proposal to better support the HACSC's overall goals of promoting self sufficiency and providing affordable housing.

One overarching concern is the current rise in oil prices and the issues that have been raised by new "smart" meters. We encourage HACSC to ensure that the standardized amounts reflect current realities in utility costs.

We do not support the proposal to eliminate utility allowance payments. Utility allowance payments are only made to families with extremely low incomes for whom every dollar is precious. Simply ending these payments could be devastating for the families affected. HACSC could achieve the same administrative savings if instead of eliminating the utility allowance payments, it calculated the utility allowance using the standardized amounts and made payments accordingly. We strongly encourage the

HACSC to continue payments using this method to achieve administrative efficiency without harming the most destitute families.

We also suggest adjusting the standardized amounts for trash to more accurately reflect actual costs. Some of the trash allowances proposed for the standardized payments are lower than the amounts set forth in the 2011 utility schedule. Trash for units of zero through 2 bedrooms should be set at \$28 at a minimum, which is the current limit. Similarly, it should be at least \$83 for units of five bedrooms or larger since the cost of these services has not gone down.

Although we were glad to see that families would be allowed to request a hardship exemption should their utility allowance decrease, we find the fifty-dollar requirement to be unnecessarily restrictive. We recognize that HACSC does not wish to undermine the administrative savings of this change by allowing hardships to all tenants, but suggest a threshold of \$10 dollars for hardship exemptions. Given the tenants' extremely limited income, this amount is a fairer threshold. By HACSC's calculations, even this threshold will allow less than nine percent of tenants (half of the seventeen percent of tenants who experience a change of greater than ten dollars) to request a hardship exemption.

In addition, as addressed in our 2011 comments, the utility allowances do not accurately represent tenants' utility costs. The lack of an air conditioning allowance is a clear example of this. Elderly and disabled tenants particularly need air conditioning in the summer months, and the current system does not account for this cost. A modest utility allowance would allow very low income residents a greater chance to achieve self sufficiency. For example, Riverside, California provides an air conditioning allowance ranging from seven to thirty-nine dollars depending on unit size and type. Cities such as Berkeley and Long Beach provide similar allowances.

We would also like to encourage HACSC to inform tenants about low income programs available for many utility services, such as trash and electric service.

Proposed MTW Activity #2: Modified Use of EIV
[Page 22]

While we support HACSC's efforts to avoid wasting administrative resources, the proposed changes to the EIV process raise due process concerns for tenants. We do not object to changing the general rule so that EIV information would not be printed for tenants at interim examinations. However, we suggest that where there is a discrepancy between reported income and EIV information that HACSC uses as the basis for a termination or other adverse notice, the report should be printed and provided to the tenant. This would mean that in the vast majority of cases, no report would need to be printed, and reports would only be required where there is a discrepancy which leads HACSC to issue a notice. This would ensure that tenants have a fair and adequate opportunity to see where the discrepancy is coming from so they can address it.

We do not object to delaying the review and validation of EIV information for new admissions. However, this change highlights the need for HACSC to change its policy regarding repayment agreements. HACSC previously used its Moving To Work flexibility to require that, in the event of an overpayment, any repayment agreement last for one year or less. (Administrative Plan 14.2.) This is in contrast to HUD's requirement that repayment agreements simply be reasonable and affordable, where affordable means less than forty percent of family income when added to the family's rent share. If the initial EIV report is delayed, there is more time for a tenant to incur a large overpayment amount that may take time to repay in an affordable manner.

Proposed MTW Activity #3: Two year occupancy requirement for project- based tenants
[Page 25]

We were happy to see that HACSC is recognizing upfront the need to allow reasonable accommodations to this proposed two year occupancy requirement. Provided that families are granted reasonable accommodations to this policy, we do not object to it. However, we urge HACSC to implement this change in a manner that ensures that tenants who began their PBV tenancy while the current one year occupancy rule was in effect are allowed to move with the mobile voucher under that policy.

Proposed MTW Activity #4: Create affordable housing development fund
[Page 27]

We have no opposition to this activity and support the acquisition and development of new affordable rental units. We have concerns, however, that any new affordable housing projects target the neediest individuals and families in SCC. We urge the HACSC to develop units that will be available to extremely low income, elderly, and disabled residents. The HACSC should use precaution when choosing partners in developing the subsidized projects. LIHTC properties, for example, are not accessible to the neediest families in our county. Further, we urge the HACSC to adopt a transparent process in ensuring that fair housing requirements are met with any new developments.

We look forward to hearing more about this proposed activity and will likely have additional comments further along in the planning process. We anticipate further opportunities for public and stakeholder input throughout the program's development.

Proposed MTW Activity #5: Create affordable housing preservation fund
[Page 29]

We fully support the addition of affordable housing rental units in our community. Similar to our comments above, we hope that the HACSC will designate funds to preserve affordable housing for extremely low-income, disabled, and elderly clients, representing some of the neediest individuals and families in our county.

Proposed MTW Activity #6: Expand tenant services at HACSC- or affiliate-owned affordable housing properties
[Page 31]

We support the addition of resources to expand tenant services at all HACSC –or affiliate-owned housing sites. As providers of direct services to tenants in this county, we strongly believe in a housing model that includes on-site support services for families who may need assistance in maintaining stable housing. We stress the necessity to partner with local agencies to provide these services and are excited about the prospect of allowing tenants an opportunity to increase self sufficiency through services available on-site, such as job readiness programs, life skills classes, or educational and vocational training.

We would also like to see the addition of services that will directly help individuals succeed as tenants, including intensive case management and mediation services. Another component of tenant success is staff training for on-site property management such as conflict resolution classes. All of these services, along with increased economic self-sufficiency, will help reduce tenant evictions, and can be accessed not only by job-ready or working individuals, but permanently disabled residents as well.

Our agencies do not support the addition of mandatory tenant services at any HACSC sites. We believe that the decision to access tenant services should be left to the individual and not be presented as a condition of receiving a housing subsidy. This will place an unfair burden on residents and does not further the goal of fostering successful tenancies.

ONGOING MTW ACTIVITIES FY 2012

Set aside 200 vouchers in FY 2012

We want to thank the HACSC for creating a set-aside program for the county's chronically homeless individuals. Our agencies have seen first hand how it has changed the lives of clients that have accessed the program. In the past, the HACSC has dedicated 200 vouchers annually to the program and in turn has contributed to the goal of ending homelessness in our community.

We urge you to continue the local preference for chronically homeless individuals and request that the program continue by setting aside an additional 200 vouchers or more for the next fiscal year.

Conclusion

Thank you for the opportunity to submit these comments. We look forward to discussing these issues with you in greater depth, and are happy to assist you with any further concerns or questions that arise.

Sincerely,

Nadia Adiz
Housing Attorney
Bay Area Legal Aid

Madeline Howard
Housing Attorney
Bay Area Legal Aid

Deborah Thrope
Staff Attorney
Mental Health Advocacy Project

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

Moving to Work Agreement

This Moving to Work Demonstration Agreement (Agreement) is entered into on this ~~26th~~ day of ~~FEB~~ 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 City of San Jose** (Agency). The term of this Agreement shall begin on the Date of Execution by HUD and shall continue until the end of the Agency's 2018 Fiscal Year, subject to meeting the evaluation criteria described in Section IV, unless such term is otherwise extended by HUD; and

WHEREAS, Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134) (1996 Appropriations Act) establishes the statutory framework known as the Public Housing/Section 8 Moving to Work (MTW) demonstration program; and

WHEREAS, Section 204(a) of the 1996 Appropriations Act provides that public housing agencies that administer Section 8 and public housing (Agencies) and the Secretary of HUD (Secretary) shall have the flexibility to design and test various approaches for providing and administering housing assistance that: 1) reduce cost and achieve greater cost effectiveness in Federal expenditures; 2) give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and 3) increase housing choices for low-income families (the three statutory objectives); and

WHEREAS, pursuant to Section 204(a) of the 1996 Appropriations Act, HUD may permit Agencies to combine funds appropriated under sections 8 and 9 of the 1937 Act, and may exempt Agencies from provisions of the 1937 Act and implementing regulations thereunder pertaining to Public and Indian Housing and section 8 voucher assistance; and

WHEREAS, pursuant to Section 230 of H.R. 2764, the Consolidated Appropriations Act, 2008, the Secretary of Housing and Urban Development shall increase, pursuant to this section, the number of Moving-to-Work agencies authorized under section 204, title II, of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996 (Public Law 104-134; 110 Stat. 1321-281) by making individually the Alaska Housing Finance Corporation and the housing authorities of the counties of San Bernardino and Santa Clara and the city of San Jose, California, a Moving-to-Work Agency under such section 204; and

WHEREAS, the Secretary determined that the Agency satisfies the Secretary's selection criteria and selected the Agency to participate in MTW; and

WHEREAS, the parties have previously entered into one or more Annual Contributions Contracts (ACCs) setting forth the terms and conditions under which the Agency participates in the public housing and/or Section 8 Housing Choice Voucher programs administered by HUD; and

WHEREAS, the parties agree to execute this Agreement; and

WHEREAS, it is a goal of the MTW demonstration to design and test innovative methods of providing housing and delivering services to low-income families in an efficient and cost effective manner, and HUD and the Agency agree to fully cooperate with each other in order to make the demonstration a success;

NOW, THEREFORE, in reliance upon and in consideration of the mutual representations and obligations hereunder, the parties do agree as follows:

I. Statutory Authorizations

- A. This Agreement waives certain provisions of the United States Housing Act of 1937, as amended (1937 Act), and HUD's implementing requirements and regulations thereunder, as are set forth in the Statement of Authorizations (Attachment C), and the Legacy and Community-Specific Authorizations (Attachment D) only to the extent they are necessary to implement the Agency's Annual MTW Plan. Except as noted in Section I.B. below, this Agreement supersedes the terms and conditions of one or more ACCs between the Agency and HUD, to the extent necessary for the Agency to implement its MTW demonstration initiatives as laid out in the Agency's Annual MTW Plan, as approved by HUD.
- B. Notwithstanding the preceding authority waiving certain provisions of the 1937 Act as necessary to implement the Agency's Annual MTW Plan, the following provisions of the 1937 Act, as otherwise applicable, shall continue to apply to the Agency and/or assistance received pursuant to the 1937 Act:
 1. The terms "low-income families" and "very low-income families" shall continue to be defined by reference to Section 3(b)(2) of the 1937 Act (42 U.S.C. § 1437a(b)(2));
 2. Section 12 of the 1937 Act (42 U.S.C. § 1437j), as amended, shall apply to housing assisted under the demonstration, other than housing assisted solely due to occupancy by families receiving tenant-based assistance; and
 3. Section 18 of the 1937 Act (42 U.S.C. § 1437p, as amended by Section 1002(d) of Public Law 104-19, Section 201(b)(1) of Public Law 104-134, and Section 201(b) of Public Law 104-202), governing demolition and disposition, shall continue to apply to public housing notwithstanding any use of the housing under MTW.
- C. This Agreement only waives certain provisions of the 1937 Act and its implementing regulations. Other federal, state and local requirements applicable to public housing shall continue to apply notwithstanding any term contained in this Agreement or any Authorization granted thereunder. Accordingly, if any requirement applicable to public housing, outside of the 1937 Act, contains a provision that conflicts or is inconsistent with any authorization granted in this Agreement, the MTW Agency remains subject to the terms of that requirement. Such requirements include, but are not limited to, the following: 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 (including regulations promulgated by HUD thereunder in 24 C.F.R. part 85).

- D. The MTW Agency is authorized to conduct activities in accordance with the Statement of Authorizations (Attachment C) and in accordance with the Legacy and Community-Specific Authorizations (Attachment D), as applicable. In the event of a conflict between Attachment C and Attachment D, the authorizations in Attachment D will supersede those in Attachment C.
- E. Notwithstanding any provision set forth in this MTW Agreement, including without limitations, the term of years and all extensions, renewals and options, and the terms set forth herein otherwise, any federal law that amends, modifies, or changes the aforementioned term of years and/or other terms of this Agreement shall supersede this Restated Agreement such that the provisions of the law shall apply as set forth in the law.

II. Requirements and Covenants

- A. The amount of assistance received under sections 8 or 9 of the 1937 Act by an Agency participating in the demonstration shall not be diminished by the Agency's participation in the MTW demonstration.
- B. The Agency agrees that any HUD assistance that the Agency is authorized to use under the MTW demonstration shall be used in accordance with the Agency's Annual MTW Plans, as may be applicable. The Agency hereby certifies that the Agency's governing board has approved this Agreement, and each Annual MTW Plan issued prior to the date hereof, as applicable, and that a copy of each such board approval has been provided to HUD.
- C. The Agency shall hold at least one public hearing per Annual MTW submission, and make the Annual MTW Plan available for public comment for at least thirty (30) days. The Agency agrees to take into account public comments on the program design, including comments from current tenants/participants, to the extent such comments were provided.
- D. The Agency shall: (i) ensure that at least 75 percent of the families assisted are very low-income families, as defined in section 3(b)(2) of the 1937 Act, (ii) assist substantially the same total number of eligible low-income families under MTW, as would have been served absent the demonstration, and (iii) maintain a comparable mix of families by family size, as would have been served or assisted had the amounts not been used under the demonstration.
- E. When providing public housing, the Agency will ensure that it is safe, decent, sanitary, and in good repair, according to an inspection protocol established or approved by the Secretary. This in no way precludes the Agency from modifying its own inspection

protocol as authorized in Attachments C and/or D as long as such protocol meets the housing quality standards established or approved by the Secretary.¹

- F. The Agency agrees to keep project level budgeting and accounting, report financial statements in the Financial Data Schedule (FDS)², and abide by project level management reviews and fees. The Agency will conform to OMB Circular A-87 and the HUD definition of reasonable fees as defined in 24 CFR part 990, and HUD's Financial Management Guidebook 7475.1 and Supplement, as they may be amended.
- G. HUD will not score the Agency under HUD's Public Housing Assessment System (PHAS) or HUD's Section Eight Management Assessment Program (SEMAP), or their successor systems, unless the Agency elects to be scored. If the Agency elects to be scored, the agency will continue to be scored for the duration of the demonstration.
- H. The Agency agrees to cooperate fully with HUD and its contractors in the monitoring and evaluation of the MTW demonstration, to keep records, and to submit reports and other information to HUD as described in the Agreement.
- I. The Agency shall comply with the requirements of the National Environmental Policy Act (NEPA) and other related federal laws and authorities identified in 24 C.F.R. Part 50 or Part 58, as applicable.
- J. The Agency will comply with all applicable nondiscrimination and equal opportunity requirements set forth in 24 C.F.R. § 5.105(a), and will administer its programs and activities in a manner affirmatively to further fair housing. In particular, the Agency must make reasonable accommodations needed by applicants and residents and must make units accessible in accordance with the Needs Assessment and Transition Plan as required under Section 504 of the Rehabilitation Act of 1973 and its implementing regulations.
- K. The Agency will comply with the terms of any applicable court orders or Voluntary Compliance Agreements that are in existence or may come into existence during the term of the Agreement. The Agency further agrees that it will cooperate fully with any investigation by the HUD Office of Inspector General or any other investigative and law enforcement agencies of the U.S. Government.
- L. Unless otherwise provided herein, this Agreement does not apply to Section 8 assistance that is required:
 - 1. To meet existing contractual obligations of the Agency to a third party (such as Housing Assistance Payment contracts with owners under the Agency's Section 8 Housing Choice Voucher program);
 - 2. For payments to other public housing authorities under Section 8 portability billing procedures; or

¹ Agencies are still subject to state and local building codes, and housing codes, and state and local public housing law on inspections.

² The Agency agrees to comply with FDS submission requirements, including the requirement to submit project level financial data in the FDS.

3. To meet particular purposes for which HUD has expressly committed the assistance to the Agency.

The aforementioned covenants made by the Agency are not exclusive, as the Agency must also comply with all requirements applicable to public housing other than both those provisions of the 1937 Act, as amended from time to time, and its implementing regulations specifically waived by the Authorizations contained in this Agreement.

III. Rent Reform Initiatives

The Agency shall establish a reasonable rent policy that is designed to encourage employment and self-sufficiency by participating families, consistent with the purpose of this demonstration. In developing its rent policy, the Agency must adopt a policy for addressing hardship cases. To meet the Department's purposes of evaluating the MTW demonstration, Agencies may randomly assign new participants into the MTW group, which will provide an alternate program/rent structure, and into a control group, which will continue to operate under the 1937 Act requirements, and collect useful participant data at the point of random assignment.

IV. Evaluation

- A. HUD will consider the following criteria when evaluating whether this Agency shall continue in the MTW Demonstration:
 1. The Agency is in compliance with this Agreement.
 2. The Annual MTW Plans and Reports have been satisfactorily completed and submitted in a timely manner, consistent with this Agreement; and
 3. The Agency has demonstrated, through the Annual MTW Plan and Report, that it has used its MTW designation (i.e., engaged in MTW Activities), as set forth in Section 204 of the 1996 Appropriations Act.
- B. If, after the evaluation during FY 2011 and FY 2014, HUD determines that the Agency fails to meet the above criteria, HUD can terminate this Agreement.

V. Amendments and Continuation of Activities

- A. Amendment of this Agreement. This Agreement may be further amended upon mutual agreement of the Agency and HUD. Proposed amendments by the Agency to the Agreement shall be submitted in writing to HUD's Office of Public and Indian Housing, or its successor, only after the Agency has conducted a public hearing, considered comments from the hearing in drafting the proposed amendment, and obtained an approval from the Agency's Board of Commissioners or Directors, as applicable. HUD will respond to the Agency in writing to either approve and execute or disapprove the amendment request. The Statement of Authorizations (Attachment C) may be unilaterally amended by HUD only in order to add to the existing authorizations. The Legacy and Community-Specific Authorizations (Attachment D) may be amended upon mutual agreement between HUD and the Agency. In the event of a conflict between Attachment C and Attachment D, the authorizations in Attachment D supersede the authorizations in Attachment C.

- B. Amendment of the Annual MTW Plan. Amendments to the Annual MTW Plan only need to be made if the proposed MTW activity falls outside the scope of the HUD-approved Annual MTW Plan. An MTW activity is defined as an activity that an Agency participating in the MTW demonstration is authorized to undertake only by means of invoking an authorization included in Attachment C or Attachment D of this Agreement, as opposed to an activity that a non-MTW agency could undertake pursuant to the conventional public housing and Section 8 Housing Choice Voucher programs' statutory and regulatory requirements. Proposed amendments by the Agency to the Annual MTW Plan shall be submitted in writing to HUD's Office of Public and Indian Housing, or its successor, only after the Agency has conducted a public hearing, considered comments from the hearing in drafting the proposed amendment, and obtained an approval from the Agency's Board of Commissioners or Directors, as applicable. HUD will respond in writing to either approve or disapprove the amendment request.

The letter requesting any amendment to the Annual MTW Plan should include the following information in relation to the proposed MTW Activity:

1. Description of the proposed activity;
2. Description of how the activity relates to at least one of the three statutory objectives;
3. Identification and discussion of the anticipated impact of the proposed MTW activity on the stated objective;
4. Description of the baselines and benchmarks that the Agency will use to measure the performance and progress of the MTW activities;
5. Description of the data collection process and metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives; and
6. The specific provision of the 1937 Act or regulation that is waived under MTW that authorized the Agency to make this change, when applicable.

C. Continuation of Activities.

1. Not later than one year prior to expiration of this Agreement, the Agency shall submit a transition plan to HUD. It is the Agency's responsibility to plan in such a manner that it will be able to end all features of the MTW Plan upon expiration of the Agreement, as HUD cannot guarantee that it will be able to extend any features of the Plan. The transition plan shall describe plans for phasing out of such authorizations/features. The plan shall also include any proposals of authorizations/features of the Agreement that the Agency wishes to continue beyond the expiration of the Agreement. The Agency shall specify the proposed duration, and shall provide justification for extension of such authorization/features. HUD will respond to the Agency in writing in a timely manner. Only authorizations/features specifically approved for extension shall continue beyond the term of the MTW Agreement. The extended features shall

remain in effect only for the duration and in the manner specified in the approved transition plan.

2. HUD will review and respond to timely-submitted transition plans within 75 days or they are deemed approved. To the extent that HUD has questions or feedback within this 75-day period, HUD will transmit such information within a sufficient time period for the Agency to respond and for HUD to approve a transition plan within 75 days of submission of the plan.

VI. Funding

- A. Funding Methodology. During the term of the MTW demonstration, HUD will provide the Agency with public housing operating subsidies, and modernization or capital funds (including development and replacement housing factor funds), and with tenant-based Section 8 assistance, as provided in Attachment A. If the Agency's Attachment A does not describe the funding methodology for any of these funding streams, the Agency's funding will be calculated according to standard HUD calculations of Agency benefits.
- B. Funding Disbursements. The Agency will receive its public housing operating subsidy and Section 8 tenant-based funding in accordance with the following calculation and disbursement requirements:
 1. Operating Fund subsidies
 - a. HUD shall calculate the allocation of Operating Fund subsidies to the Agency in accordance with Attachment A.
 - b. The Agency may use these funds for any eligible activity permissible under Section 9(e)(1) of the 1937 Act or, if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use these funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Agreement.
 2. Capital Funds and Other Grants
 - a. HUD shall calculate the allocation of Capital Fund grants (including replacement housing factor fund grants) to the Agency in accordance with Attachment A. Capital Funds will be disbursed in accordance with standard HUD procedures for the disbursement of public housing Capital Fund Grants.
 - (i) In requisitioning grant funds, the Agency will not be required to provide line item detail, but will request the funds using a single MTW line item; provided however, that the Agency may not accelerate draw downs of funds in order to fund reserves.

- (ii) The Agency may use these funds for any eligible activity permissible under Section 9(d)(1) of the 1937 Act, or if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use these funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Agreement.
 - (iii) The Agency is subject to the requirements of Section 9(j) of the 1937 Act with respect to its Capital Fund Grants.
- b. Section 8 Tenant-Based Assistance
 - (i) HUD shall calculate the allocation of Section 8 Housing Choice Voucher funding to the Agency in accordance with Attachment A.
 - (ii) The Agency may use tenant-based Section 8 funds included in the MTW block grant for any eligible activity permissible under Section 8(o) of the 1937 Act or, if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use the funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Agreement.
- c. The Agency may submit for HUD consideration and approval alternative schedules for disbursement of public housing operating subsidy and Section 8 tenant-based funding to reduce the number of transactions and to address the time lag between making Housing Assistance Payments (HAP) for the large number of Section 8 participants from other jurisdictions (portables) and reimbursement by those jurisdictions. An Agency's request for consideration and approval of an alternative schedule for disbursement shall be subject to certain administrative limitations, such as only one request will be allowed per year.

VII. Administrative Responsibilities

A. Annual MTW Planning and Reporting.

1. Annual MTW Plans

- a. If the Agency has ten percent or more of its housing stock in MTW, the Agency will prepare and submit an Annual MTW Plan, in accordance with Attachment B, or equivalent HUD form as approved by OMB, in lieu of the Five (5) year and Annual Plans required by Section 5A of the 1937 Act.
- b. If the Agency has less than ten percent of its housing stock in MTW, the Agency will continue to complete the Five-Year and Annual Plans required by Section 5A of the 1937 Act. The Agency will also complete a Supplemental Annual MTW Plan, based on Attachment B, or equivalent HUD form as approved by OMB. Only information not included in either

the Five-Year Plan or the Annual Plan will need to be included in the Supplemental Annual MTW Plan (herein also referred to as the Annual MTW Plan).

- c. Three (3) copies of the Annual MTW Plan shall be submitted to HUD: one copy will be provided to HUD Headquarters in hard-copy, one copy to HUD Headquarters in electronic format (i.e., PDF, or Word), and one copy to the Agency's local HUD Field Office.
- d. The Annual MTW Plan is due not later than seventy-five (75) days prior to the start of the Agency's fiscal year, unless otherwise approved by HUD, except in the first year of this Agreement the Agency may submit an amendment to its MTW Plan if it wants to implement initiatives prior to the due date of the subsequent MTW Plan.
- e. Attachment B of this Agreement, or equivalent HUD form as approved by OMB, provides a detailed description of the required elements of the Annual MTW Plan.
- f. The Annual MTW Plan will be submitted to HUD only after:
 - (i) The Agency has provided for citizen participation through public hearing and other appropriate means and is approved by the Board of Commissioners or Directors, as applicable, and
 - (ii) The Agency has taken into account public comments on the program design, including comments from current tenants/participants, to the extent such comments were provided. To document the foregoing, the Agency will submit with the Annual MTW Plan documentation that at least one public hearing was held, that the Plan was available for public comment for at least thirty (30) days, and that the Agency took no less than fifteen (15) days between the public hearing and the approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan. The Agency will submit these documents to HUD in accordance with Attachment B, or equivalent HUD form as approved by OMB, and will keep these documents on file for HUD review.
- g. HUD shall notify the Agency in writing if HUD objects to any provisions or information therein. When the Agency submits its Annual MTW Plan seventy-five (75) days in advance of its fiscal year, HUD will respond to the Agency within seventy-five (75) days. If HUD does not respond to the Agency within seventy-five (75) days after an on-time receipt of the Agency's Annual MTW Plan, the Agency's Annual MTW Plan is approved and the Agency is authorized to implement that Plan. If HUD does not receive the Agency's Annual MTW Plan seventy-five (75) days before the beginning of the Agency's fiscal year, the Agency's Annual MTW Plan is

not approved until HUD responds. Reasons that HUD may object to a provision or information in the Annual MTW Plan include, but are not limited to, the following:

- (i) The information required in Attachment B, or equivalent HUD form as approved by OMB, is not provided or is deemed insufficient;
 - (ii) The Agency's planned MTW activities are not permissible under MTW Authority or are inconsistent with requirements outside the 1937 Act³;
 - (iii) The Agency's planned MTW activities do not have a clear connection to the statutory goal of the MTW demonstration, which is to provide Agencies with the flexibility to design and test various approaches for providing and administering housing assistance that: (a) reduce cost and achieves greater cost effectiveness in Federal expenditures; (b) give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and (c) increase housing choices for low-income families; or
 - (iv) There are other good cause factors, such as material misrepresentation, in the submission.
- h. Once HUD approves an MTW Activity, the activity shall remain approved as long as it is included in the Agency's Annual MTW Plan submissions subsequent to the initial approval of the MTW Activity. The approval shall remain in effect until such time as the Agency proposes to modify the activity, initiative, or program.

2. Annual MTW Reports

- a. The Agency will prepare Annual MTW Reports, which will compare the Agency's activities with its Annual MTW Plan. The Annual MTW Report will provide the information necessary for HUD to assess the Agency's activities, in both regular operations and in activities authorized by MTW.
- b. Three (3) copies of the Annual MTW Report shall be submitted to HUD: one copy will be provided to HUD Headquarters in hard-copy, one copy to HUD Headquarters in electronic format (i.e., PDF, or Word), and one copy to the Agency's local HUD Field Office.
- c. The Annual MTW Report will be submitted to HUD for its review annually, no later than ninety (90) days after the end of the Agency's fiscal year.

³ Even if HUD approves a MTW Plan that is inconsistent with an external requirement, such as a state law requirement, the Agency is still subject to the external requirement.

- d. Attachment B of this Agreement, or equivalent HUD form as approved by OMB, provides a detailed description of the required elements of the Annual MTW Report.
 - e. HUD shall notify the Agency in writing if HUD requires additional information or clarifications to the information provided in the Annual MTW Report.
 - f. All HUD forms and other reporting mechanisms required by this Agreement, including any required certifications, will, where appropriate, be included in either the Annual MTW Plan or the Annual MTW Report.
3. HUD reserves the right to request, and the Agency agrees to provide, any information required by law or required for sound administration of the public housing and Section 8 Housing Choice Voucher programs.

B. Other Data Submission Requirements.

- 1. The Agency will submit HUD-50058 data and/or HUD-50058 MTW (or their replacement forms) data to HUD's Public and Indian Housing Information Center (PIC) system, or its successor. (Note that the use of the HUD-50058 MTW form is restricted to the MTW agencies that have implemented MTW Activities that prevent use of the standard 50058 form.) These submissions will be in compliance with HUD's 50058 and/or 50058 MTW submission requirements for MTW public housing authorities. The Agency will maintain current building and unit information in the development module of the PIC Inventory Management System (IMS).
- 2. The Agency will provide basic data about the Agency (e.g., address, phone number, e-mail address, etc.) to HUD through the PIC/IMS system, or its successor system.
- 3. The Agency will complete an annual audit pursuant to the Office of Management and Budget (OMB) Circular A-133 (including the Compliance Supplement, as determined by the auditor to be relevant to MTW). The A-133 Audit must be submitted to HUD in accordance with HUD regulations; a separate copy of the most recently completed audit must be submitted to the Office of Public Housing Investments, or its successor Headquarters Office responsible for national oversight of the MTW demonstration.
- 4. The Agency will provide data to HUD through FDS, or its successor system, as required by the Public Housing Assessment System (PHAS) regulations and procedures as they may be amended.
- 5. The Agency will provide HUD with an electronic version of the Admissions and Continued Occupancy Policy and Administrative Plan upon HUD's request.
- 6. The Agency will provide HUD with a Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant by including this

as a supplement to Attachment B, or equivalent HUD form as approved by OMB.

In addition to the reporting requirements listed above, the Agency is required to comply with any and all HUD reporting requirements that are not specifically waived by HUD.

- C. Annual MTW Monitoring Site Visit. HUD and/or its contractors will conduct at least one formal Site Visit to the Agency each year. The purpose of these visits will be to confirm reported Agency activities, to review the status and effectiveness of the Agency's MTW strategies, and to identify and resolve outstanding MTW related issues. The Agency shall give HUD and/or its contractors unimpeded access to all requested sources of information including access to files, access to units, and an opportunity to interview Agency staff and assisted residents.
- D. Single Point of Contact. HUD and the Agency shall each appoint a liaison as a single point of contact in implementing the Agreement.

VIII. Termination and Default

- A. If the Agency violates this Agreement, HUD is authorized to take any corrective or remedial action described in this Article VIII for Agency default. HUD will give the Agency written notice of any default. The Agency will have the opportunity to cure such default within 30 days of the date of said notice, or to demonstrate within said time period, by submitting substantial evidence satisfactory to HUD, that it is not in default. If the default is not susceptible to being cured within said 30 day period, the Agency will demonstrate, to HUD's satisfaction, that the Agency has taken actions necessary to cure the default and that the default is curable within 90 days from the date of the default notice. Additionally, the Agency must covenant to prosecute such cure diligently and complete such cure within the 90 day period, unless HUD, in its sole judgment, determines that immediate action is necessary, and therefore has discretion to institute the remedies under Section VIII.C. of this Agreement.
- B. The following are reasons that HUD may declare the Agency in default of this Agreement:
 - 1. The Agency has not corrected HUD identified performance deficiencies within a reasonable period of time;
 - 2. Material misrepresentation in the application process that led to the MTW Agreement;
 - 3. Use of funds subject to this Agreement for a purpose other than as authorized by this Agreement;
 - 4. Material noncompliance with legislative, regulatory, or other requirements applicable to this Agreement;
 - 5. Material breach of this Agreement; and/or

6. Material misrepresentation in the Annual MTW Plan or Report submission by the Agency.
- C. If the Agency is in default, HUD may, among other remedies, undertake any one or all of the following remedies:
1. Suspend payment or reimbursement for any MTW activities affected;
 2. Suspend the Agency's authority to make draws or receive or use funds for affected activities;
 3. Change the method of payment to the Agency;
 4. Require additional reporting by the Agency on the deficient areas and the steps being taken to address the deficiencies;
 5. Require the Agency to prepare and follow a HUD-approved schedule of actions and/or a management plan for properly completing the activities approved under this Agreement;
 6. Suspend the MTW waiver authorization for the affected activities;
 7. Prohibit payment or reimbursement for any MTW Activities affected by the default;
 8. Require reimbursement by the Agency to HUD for amounts used in violation of this Agreement;
 9. Reduce/offset the Agency's future funding;
 10. Terminate this Agreement and require the Agency to transition out of MTW;
 11. Take any other corrective or remedial action legally available; and/or
 12. Implement administrative or judicial receivership of part or all of the Agency.
- D. The Agency may choose to terminate this Agreement at any time. Upon HUD's receipt of written notification from the Agency and a copy of a board resolution approving termination, termination will be effective. The Agency will then begin to transition out of MTW, and will work with HUD to establish an orderly phase-out of MTW activities, consistent with Section IV C of this Agreement.

This Agreement, including all Attachments, is effective upon execution, except as otherwise provided herein.


HOUSING AUTHORITY OF THE
CITY OF SAN JOSE

BY: 

ITS: EXECUTIVE DIRECTOR

Date: 02.28.08

UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

BY: 

ITS: Assistant Secretary

Date: 01.04.08

ATTACHMENT A

Moving to Work Agreement

Calculation of Subsidies

Upon execution of the Moving to Work (MTW) Agreement (MTW Agreement) between the U.S. Department of Housing and Urban Development (HUD) and the Housing Authority of the City of San Jose (Agency), HUD will provide the Agency with operating subsidy, capital funds, and Housing Choice Voucher Program assistance as described below.

A. Operating Subsidy

1. The calculation of operating subsidy will continue in accordance with applicable operating subsidy formula law and regulations.
2. At the time of execution of the MTW Agreement, the Agency has no public housing.
3. All funds programmed for MTW purposes will be recorded and drawn from MTW designated line items on relevant HUD forms.

B. Capital Funds Program

1. The Agency's formula characteristics and grant amounts will continue to be calculated in accordance with applicable law and regulations.
2. At the time of execution of the MTW Agreement, the Agency has no public housing.
3. All funds programmed for MTW purposes will be recorded and drawn from MTW designated line items on relevant HUD forms.

C. Housing Choice Voucher Program (HCVP) Subsidy

1. For purposes of the Housing Choice Voucher Program (HCVP) funding, the Initial Year is calendar year 2008 (January 1, 2008 through December 31, 2008).
2. For purposes of the Housing Choice Voucher program funding, the base period for calculating initial funding is federal fiscal year 2007 (October 1, 2006 through September 30, 2007).
3. Initial year (CY 2008) HCVP housing assistance payments (HAP) subsidy will be based on the greater of actual HAP expenses incurred by the Agency as reported in the Voucher Management System (VMS) in the base period (FFY 2007) or what the Agency received in calendar year 2007. Initial year administrative fees will be based on what the Agency received in calendar year 2007.
4. Funding eligibility for the HCVP HAP in the Initial Year of this agreement will be equal to the amounts determined under the preceding paragraph, adjusted for new units not fully represented in those amounts, and adjusted by the Annual Adjustment Factor (AAF) and by the applicable proration factor. The Administrative Fee funding will be adjusted for new units and by the applicable proration factor. For subsequent years, the HAP subsidy will be equal to the previous year's HAP subsidy eligibility adjusted by the current year's AAF and applicable proration factor percentage. Similarly, the Administrative Fee funding for subsequent years will be equal to the previous year's Administrative Fee eligibility adjusted by the applicable proration factor.

Funding eligibility in any year is subject to the requirements of the applicable Appropriations Act as it applies to MTW Agency.

5. If the Agency receives incremental HCVP funding, the Agency must decide to either apply the incremental funding to their MTW block grant or to keep the incremental funding separate, as provided by law. In some cases, incremental funding may not be eligible for inclusion in the block grant as may be dictated by law.

6. All HCVP funding provided by HUD and not restricted under item 5, above, or otherwise prohibited by law in the Initial Year and subsequent years under this agreement may be eligible for inclusion in the MTW flexible block grant.

7. The Agency will be eligible to receive Family Self Sufficiency coordinator funding in accordance with available appropriations and requirements.

8. There will be no year-end settlement of annual funds provided for the MTW HCVP subsidy. All funds provided through this calculation will remain available for authorized purposes.

9. Any sum held by the Agency in the Net Restricted Assets account resulting from HAP funding that exceeded HAP expenses for the period of January 1, 2005 through December 31, 2007, shall remain available and may be used for authorized purposes, subject to applicable provisions of the MTW Agreement and future appropriations statutes. Any sum held by the Agency as excess administrative funds (Net Unrestricted Assets) shall remain available and may be used for authorized purposes subject to applicable provisions of the MTW Agreement and future appropriations statutes.

10. Funding for five-year mainstream vouchers, one-year mainstream vouchers and moderate rehabilitation vouchers, whether new allocations or renewals of existing vouchers, shall not be included in the MTW Block Grant.

11. The Agency will receive administrative fees to administer any incremental vouchers received, including Family Self Sufficiency funding, in accordance with laws and regulations in effect. Such fees will be calculated assuming all vouchers are in use.

12. The Agency's MTW funding for tenant based voucher assistance shall be based solely on dollars and not units.

Attachment B

TO

MOVING TO WORK AGREEMENT

BETWEEN

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

AND

AGENCY

Elements for the Annual MTW Plan and Annual MTW Report

All MTW Agencies will provide the following required elements in their Annual MTW Plans and Reports, consistent with the requirements of Section VII of the Agreement, and will follow the following order and format.

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
I. Introduction	
A. Table of Contents, which includes all the required elements of the Annual MTW Plan; and	A. Table of Contents, which includes all the required elements of the Annual MTW Report; and
B. Overview of the Agency's MTW goals and objectives for the year, including new and ongoing MTW activities.	B. Overview of the Agency's ongoing MTW goals and objectives.

II. General Housing Authority Operating Information

Please provide the following:

A. Housing Stock Information

- Number of public housing units planned;
- General description of any planned significant capital expenditures by development;
- Description of any new public housing units to be added during the year by development (specifying bedroom size);
- Number of units to be removed from the inventory during the year by development specifying the justification for the removal;
- Number of Housing Choice Vouchers (HCV) units authorized;
- Number of HCV units to be project-based, including description of each separate project;
- General description of other housing planned to be managed by the Agency, specifying location, number of units, and type of non-public housing/non-HCV assistance (to include tax credit, state funded, project based Section 8, and market rate); and
- Description of other properties owned or managed by the Agency.

B. Lease Up Information

- Anticipated number of public housing units planned to be leased;
- Anticipated number of HCV planned to be leased; and
- Description of anticipated issues relating to any potential difficulties in leasing units (HCV or public housing).

C. Waiting List Information

- Description of anticipated changes in waiting lists (site-based, community-wide, HCV, merged);
- Description of anticipated changes in the number of families on the waiting list(s) and/or opening and closing of the waiting list(s); and
- Date the waiting list was last purged.

Please provide the following:

A. Housing Stock Information

- Number of public housing units;
- Number of Housing Choice Vouchers utilized;
- General description of number and type of other housing managed by the Agency, specifying location, number of units and type of non-public housing/non-HCV assistance (to include tax credit, state funded, project based Section 8, and market rate); and
- Description of other properties owned or managed by the Agency.

B. Lease Up Information

- Number of public housing units leased;
- Number of HCV under lease; and
- Description of issues relating to any difficulties in leasing units (HCV or public housing).

C. Waiting List Information

- Description of waiting lists (site-based, community-wide, HCV, merged) and any changes that were made in the past fiscal year;
- Number of families on the waiting list(s), both at the beginning of the fiscal year and at the end of the fiscal year, and if the list(s) are open or closed; and
- Date the waiting list was last purged.

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
III. Long-term MTW Plan	
Describe the Agency's long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.	Describe the Agency's long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.
IV. Proposed MTW Activities: HUD approval requested (provide the listed items below grouped by each MTW activity)	
<p>A. Describe each proposed MTW activity;</p> <p>B. Describe how each proposed activity relates to at least one of the three statutory objectives;</p> <p>C. Identify and discuss the anticipated impact of each proposed MTW activity on the stated objective;</p> <p>D. Describe the baselines and proposed benchmarks and metrics that the Agency will use to measure the performance and progress of the MTW activities;</p> <p>E. Describe the data collection process and the proposed metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives;</p> <p>F. Cite the authorization(s) detailed in Attachment C or D of this Agreement that give the Agency the flexibility to conduct the activity, and include the specific citation(s) of the Act or regulation as identified in Attachment C or D of this Agreement that authorize the Agency to make the change; and</p> <p>G. Describe the hardship policy (for rent reform initiatives only).</p>	<p>(All proposed activities that are granted approval by HUD will be reported on in Section V as "ongoing activities.")</p>

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
V. Ongoing MTW Activities: HUD approval previously granted (provide the listed items below grouped by each MTW activity)	
<p>A. Describe each ongoing MTW activity applicable for the coming year;</p> <p>B. Describe how each ongoing activity relates to at least one of the three statutory objectives;</p> <p>C. Identify and discuss the anticipated impact of each ongoing MTW activity on the stated objective, if in the first year of completing this revised Plan; or any anticipated changes in the impact (as applicable), if in subsequent years;</p> <p>D. Describe the baselines and benchmarks that the Agency will use to measure the performance and progress of the MTW activities, if in the first year of completing this revised Plan; or any changes in benchmarks (as applicable), if in subsequent years;</p> <p>E. Describe the data collection process and metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives, if in the first year of completing this revised Plan; or any changes in data collection (as applicable), if in subsequent years;</p> <p>F. Cite the authorization(s) detailed in Attachment C or D of this Agreement that give the Agency the flexibility to conduct the activity, and include the specific citation(s) of the Act or regulation as identified in Attachment C or D of this Agreement that authorize the Agency to make the change; and</p> <p>G. Describe the hardship policy (for rent reform initiatives only).</p>	<p>A. Describe any activities that were proposed in the Plan, approved by HUD, but not implemented, and discuss why these were not pursued;</p> <p>B. Describe each ongoing and completed (within the FY) MTW activity;</p> <p>C. Describe how each ongoing activity relates to at least one of the three statutory objectives;</p> <p>D. Analyze the actual impact of each ongoing MTW activity on the stated objective;</p> <p>E. Evaluate the actual performance versus the target benchmark goals, the originally established baseline, and the previous year's performance;</p> <p>F. If benchmarks were not achieved or if the activity was determined ineffective provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective;</p> <p>G. Using the metrics proposed in the Plan, evaluate the effectiveness of the activity in achieving the statutory objectives it relates to; and</p> <p>H. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Agreement) that authorized the Agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the benchmark.</p>

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
VI. Sources and Uses of Funding	
<p>A. Provide Consolidated Budget Statement in the same format and level of detail as the unaudited financial statement;</p> <p>B. Planned sources and expenditures by development;</p> <p>C. Description of changes in sources and uses of MTW funding from previously-approved plan; and</p> <p>D. Description of how funding fungibility is planned to be used, if applicable.</p>	<p>A. Unaudited Financial Statement;</p> <p>B. Planned vs. actual financial information by development with a narrative discussion and explanation of the differences;</p> <p>C. Planned vs. actual for all capital activities presented in the Annual MTW Plan with a narrative discussion and explanation of differences;</p> <p>D. Explanation of how funding fungibility was used and narrative explanation of the difference, if applicable.</p>
VII. Administrative	
<p>The Agency will provide the following:</p> <p>A. Board Resolution adopting 50077-MTW, or equivalent form;</p> <p>B. Documentation that at least one public hearing was held, that the Plan was available for public comment for at least thirty (30) days, and documentation that the Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;</p> <p>C. Description of any planned or ongoing Agency-directed evaluations of the demonstration, if applicable;</p>	<p>The Agency will provide the following:</p> <p>A. Results of latest Agency-directed evaluations of the demonstration, as applicable;</p> <p>B. Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant, as an attachment to the Report; and</p> <p>C. Description of progress on the correction or elimination of observed deficiencies cited in monitoring visits, physical inspections, submissions to REAC, or other oversight and monitoring mechanisms, if applicable.</p>

VIII. Reporting Compliance with Statutory MTW Requirements**Annual
MTW
Plan**

If the Agency has been out of compliance with any of the required statutory MTW requirements listed in Section II(C) of the Agreement, as determined by HUD in its review of the previous fiscal year's Annual MTW Report, the Agency will provide a narrative discussion and a plan as to how it will return to compliance. If the Agency is currently in compliance, no discussion or reporting is necessary in this section.

**Annual
MTW
Report**

The Agency will provide the following:

A. In order to demonstrate that the statutory objective of “assuring that at least 75 percent of the families assisted by the Agency are very low-income families” is being achieved, the Agency will provide information in the following format:

Initial Incomes of Families Assisted by MTW

Fiscal Year:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total number of newly admitted families assisted ¹											
Number of families with incomes below 50% of area median											
Percentage of families with incomes below 50% of area median											

¹ “Total number of newly admitted families assisted” is defined as all families that have been admitted to federal housing assistance during the fiscal year in question. Therefore, this does not mean that all families assisted by the housing authority will be captured in this figure. Instead, the figure only captures the initial admittees’ income, just as they begin to receive housing assistance.

VIII. Reporting Compliance with Statutory MTW Requirements, Continued**Annual
MTW
Report,
cont.**

B. In order to demonstrate that the statutory objective of “continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined” is being achieved, the Agency will provide information in the following formats:

Baseline for the Number of Eligible Low-Income Families to Be Served

	Number of families served when Agency entered MTW	Non-MTW adjustments to the number of families served ²	Baseline number of families to be served	Explanations for adjustments to the number of families served
Number of public housing families served				
Number of tenant-based Section 8 families served				
Total number of families served				

Number of Low-Income Families Served

Baseline number of families to be served (total number of families) ³	
Total number of families Served this Fiscal Year ⁴	
Numerical Difference ⁵	
Percentage Difference	

Justification for variations in excess of 10% below the baseline number of families to be served (total number of families):

--

² “Non-MTW adjustments to the number of families served” are defined as factors that are outside the control of the Agency. Acceptable “non-MTW adjustments” include, but are not limited to, influences of the economy and of the housing market. If the Agency includes non-MTW adjustments, HUD expects the explanations of the factors to be thorough and to include information substantiating the numbers used.

³ This number will be the same number in the chart above, at the cross-section of “total number of families served” and “baseline number of families served.”

⁴ The methodology used to obtain this figure will be the same methodology used to determine the “Number of families served when Agency entered MTW” in the table immediately above.

⁵ The Numerical Difference is considered “MTW adjustments to the number of families served.” This number will reflect adjustments to the number of families served that are directly due to decisions the Agency has made. HUD expects that in the course of the demonstration, Agencies will make decisions that may alter the number of families served.

VIII. Reporting Compliance with Statutory MTW Requirements, Continued**Annual
MTW
Report,
cont.**

C. In order to demonstrate that the statutory objective of “maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration” is being achieved, the Agency will provide information in the following formats:

Baseline for the Mix of Family Sizes to Be Served

Family Size	Occupied number of Public Housing units by family size when Agency entered MTW	Utilized number of Section 8 vouchers by family size when Agency entered MTW	Non-MTW adjustments to the distribution of family sizes ⁶	Baseline number of family sizes to be maintained	Baseline percentages of family sizes to be maintained
1 person					
2 people					
3 people					
4 people					
5 people					
6+ people					
Totals					100%

Explanations for
Baseline adjustments
to the distribution of
family sizes utilized

Mix of Family Sizes Served

	1 person	2 people	3 people	4 people	5 people	6+ people	Total
Baseline percentages of family sizes to be maintained⁷							100%
Number of families served by family size this Fiscal Year⁸							
Percentages of families served by family size this Fiscal Year⁹							100%
Percentage Difference							

Justification and explanation for family size variations of over 5% from the Baseline percentages:

⁶ “Non-MTW adjustments to the distribution of family sizes” are defined as factors that are outside the control of the Agency. Acceptable “non-MTW adjustments” include, but are not limited to, demographic changes in the community’s population. If the Agency includes non-MTW adjustments, HUD expects the explanations of the factors to be thorough and to include information substantiating the numbers used.

⁷ These numbers in this row will be the same numbers in the chart above listed under the column “Baseline percentages of family sizes to be maintained.”

⁸ The methodology used to obtain these figures will be the same methodology used to determine the “Occupied number of Public Housing units by family size when Agency entered MTW” and “Utilized number of Section 8 Vouchers by family size when Agency entered MTW” in the table immediately above.

⁹ The “Percentages of families served by family size this fiscal year” will reflect adjustments to the mix of families served that are directly due to decisions the Agency has made. HUD expects that in the course of the demonstration, Agencies will make decisions that may alter the number of families served.

ATTACHMENT C
STATEMENT OF AUTHORIZATIONS
TO
MOVING TO WORK AGREEMENT
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
AGENCY

A. General Conditions

1. This Statement of Authorizations describes the activities that the Public Housing Authority (Agency) may carry out under the Moving to Work (MTW) Demonstration program, subject to the terms and conditions of the Moving to Work Demonstration Agreement (Agreement) between the Agency and the U.S. Department of Housing and Urban Development (HUD).
2. Unless otherwise provided in Attachment D of the Agreement, the Agency's MTW Demonstration Program applies to all of the Agency's public housing assisted units (including Agency-owned properties and units comprising a part of mixed-income, mixed finance communities) tenant-based Section 8 voucher assistance (hereinafter referred to as the "Housing Choice Voucher Program"), Section 8 project-based voucher assistance under Section 8(o) and Homeownership units developed using Section 8(y) voucher assistance.
3. The purpose of the Statement of Authorizations is to delegate to the Agency the authority to pursue locally driven policies, procedures and programs with the aim of developing better, more efficient ways to provide housing assistance and incentives to self-sufficiency to low, very-low, and extremely low-income families. The authorizations listed in this Attachment C are granted fully without requiring any additional HUD authorizations, as necessary to implement the activities described in the Annual MTW Plan. The Agency may proceed with activities based upon these authorizations once the activity has been included in the Annual MTW Plan, in accordance with Attachment B, and HUD has approved the Plan and activities. HUD will review and approve these documents to ensure that the Annual MTW Plan has provided meaningful citizen participation, taking into account comments from a public hearing and any other comments on the proposed program, as well as providing for, receiving, and meaningfully considering comments from current and prospective residents who would be affected. HUD will also review in order to ascertain that these activities are within the MTW authorizations provided by HUD.
4. The Agency reaffirms that it will comply with all applicable nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105(a), and will administer its programs and activities in a manner affirmatively to further fair housing. In particular, the Agency

must make reasonable modifications and accommodations needed by applicants and residents and must make units accessible in accordance with the Needs Assessment and Transition Plan as required under Section 504 of the Rehabilitation Act of 1973 and its implementing regulations.

B. Authorizations Related to Both Public Housing and Section 8 Housing Choice Vouchers

1. Single Fund Budget with Full Flexibility

This authorization waives certain provisions of Sections 8 and 9 of the 1937 Act and 24 C.F.R. 982, and 990 as necessary to implement the Agency's Annual MTW Plan.

- a. The Agency may combine funding awarded to it annually pursuant to Section 8(o), 9(d) and 9(e) of the 1937 Act into a single, authority-wide funding source ("MTW Funds"). However, section 9(d) funds are still subject to the obligation and expenditure deadlines and requirements provided in section 9(j) despite the fact that they are combined in a single fund. The funding amount for the MTW Funds may be increased by additional allocations of housing choice vouchers to which the Agency is entitled over the term of the Agreement. Special purpose vouchers will not be included in the MTW Funds during their initial term, though some may be included in the MTW Funds upon renewal.
- b. The Agency may use MTW Funds for any eligible activity under Sections 9(d)(1), 9(e)(1) and Section 8(o) of the 1937 Act. Within the scope of the permissible eligible activities, the Agency can carry out the purposes of the MTW Demonstration Program to provide flexibility in the design and administration of housing assistance to eligible families, to reduce cost and achieve greater cost effectiveness in Federal expenditures, to give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient, and to increase housing choices for low-income families, through activities that would otherwise be eligible under sections 8 and 9 of the 1937 Act, including, but not limited to, the following activities:
 - i. Provision of Capital funds or operating assistance to housing previously developed or operated pursuant to a contract between HUD and the Agency or newly acquired or developed pursuant to section ii below.
 - ii. The acquisition, new construction, reconstruction or moderate or substantial rehabilitation of housing (including, but not limited to, assisted living, or other housing as deemed appropriate by the Agency, in accordance with its mission), or commercial facilities consistent with the objectives of the demonstration. Such activities may include but are not limited to real property acquisition, site improvement, development of utilities and utility services and energy efficiency systems, conversion, demolition, financing, administration and planning costs, relocation and other related activities; provided, however, that prior HUD

approval is required for the development of any incremental public housing units, pursuant to Section 9(g)(3) of the 1937 Act.

- iii. The provision of housing or employment-related services or other case management activities, such as housing counseling in connection with rental or homeownership assistance, energy auditing, activities related to the provision of self-sufficiency and other services, employment counseling, education, training and other services related to assisting tenants, owners, contractors, and other persons or entities participating or seeking to participate in other housing or training and educational activities assisted pursuant to this section.
 - iv. The provision of management services, including preparation of work specifications, loan processing, inspections, tenant selection, management of tenant and project-based rental assistance and management of housing projects or other facilities or operations developed under this program.
 - v. The provision of safety, security, and law enforcement measures and activities appropriate to protect residents of housing from crime.
 - vi. The provision of Housing Choice Voucher assistance or project-based rental assistance (under Section 8(o)), alone or in conjunction with other private or public sources of assistance.
 - vii. The preservation of public housing and/or Housing Choice Voucher units currently serving people of low income or the acquisition and/or development of new units for people of low income, provided that all rehabilitation and construction is done in accordance with the requirements of Section 504 of the Rehabilitation Act and where applicable, the design and construction requirements of the Fair Housing Act.
 - viii. If the Agency chooses to establish single fund flexibility, the Agency is authorized to use housing assistance payments for purposes other than payments to owners, so long as these purposes are consistent with other eligible uses of section 8 and section 9 funds.
- c. These activities may be carried out by the Agency, by an entity, agent, or instrumentality of the Agency, a partnership, a grantee, contractor, or other appropriate party or legal entity.
 - d. The Agency's expenditures must comply with OMB Circular A-87, which provides basic guidelines for the use of federal funds, and with this MTW Agreement.
 - e. The Agency may use capital funds (including development and replacement housing factor funds) in accordance with this Agreement.

2. Partnerships with For-Profit and Non-Profit Entities

The Agency may partner with for-profit and non-profit entities, subject to 24 C.F.R. Part 85 and 941.602(d), including, mixed-income, mixed-finance development partners and third party management companies, as well as affiliates and instrumentalities of the Agency ("Agency Partners"), to implement and develop all or some of the initiatives that may comprise the Agency's MTW Demonstration Program. The Agency may, with respect to MTW eligible activity and when working with or partnering with such partners, make available to Agency Partners the least restrictive regulatory requirements allowable based on Agency's participation in the MTW Demonstration Program and that agreements with Agency Partners may reflect the implementation of less restrictive regulatory requirements. *This authorization waives certain provisions of Sections 13 and 35 of the 1937 Act and 24 C.F.R. 941 Subpart F as necessary to implement the Agency's Annual MTW Plan.*

3. Definition of Elderly Family

The Agency is authorized to amend the definition of elderly to include families with a head of household or family member who is at least 55 years old, and must be in compliance with the all Fair Housing Requirements, in particular the Housing for Older Persons Act of 1995. *This authorization waives certain provisions of Section 3 (b)(3) and (G) of the 1937 Act and 24 C.F.R. 5.403 as necessary to implement the Agency's Annual MTW Plan.*

4. Transitional/Conditional Housing Program

The Agency may develop and adopt new short-term transitional housing programs, consistent with an eligible use of section 8 and 9 funds, with supportive services in one or more buildings in collaboration with local community-based organizations and government agencies. Successful participants in these programs will be eligible for transfer to the Agency's public housing or housing choice voucher programs. The Agency will ensure that these programs do not have a disparate impact on protected classes, and will be operated in a manner that is consistent with the requirements of Section 504 of the Rehabilitation Act. More specifically, under no circumstances will residents of such programs be required to participate in supportive services that are targeted at persons with disabilities in general, or persons with any specific disability. In addition, admission to any of the programs developed under this section will not be conditioned on the presence of a disability or a particular disability. This section is not intended to govern the designation of housing that is subject to Section 7 of the 1937 Act. *This authorization waives certain provisions of Sections 3, 4, 5, 8, and 9 of the 1937 Act and 24 C.F.R. 941, and 960 Subpart B as necessary to implement the Agency's Annual MTW Plan.*

5. Investment Policies

Subject to HUD approval, the Agency is authorized to adopt investment policies consistent with state law to the extent such policies are in compliance with applicable OMB circulars and other federal laws. The Agency shall invest only in securities authorized under state law that will allow the flexibility to invest productively and efficiently. *This authorization waives certain provisions of Section 6(c)(4) of the 1937 Act and 24 C.F.R. 982.156 as necessary to implement the Agency's Annual MTW Plan.*

C. Authorizations Related to Public Housing Only

1. Site Based or Geographic Area Waiting List System

The Agency is authorized to implement a locally designed waiting list system in lieu of the specific procedural requirements of 24 C.F.R. Part 903 provided that it provides applicants with a reasonable choice of location in accordance with title VI of the Civil Rights Act, the Fair Housing Act, and other applicable civil rights requirements. The Agency may implement additional site-based waiting lists under this MTW Agreement. Such additional site-based waiting lists will be developed, at the Agency's option, to address various situations, including, but not limited to the following: (1) any existing or new or mixed-income, mixed finance communities; (2) any on-site and/or off-site public housing replacement units developed in support of the Agency's redevelopment or HOPE VI efforts, if any; (3) any specially designated public housing or project-based communities; and (4) combining or separating waiting lists for Section 8 tenant-based or project-based assistance, public housing rental communities, homeownership opportunities, and mixed-income, mixed-finance communities. *This authorization waives certain provisions of Section 6(r) of the 1937 Act and 24 C.F.R. 903.7 as necessary to implement the Agency's Annual MTW Plan.*

2. Local Preferences and Admission and Continued Occupancy Policies and Procedures

The Agency is authorized to develop and adopt local preferences and admission policies and procedures for admission into the public housing program in lieu of HUD statutes, regulations or other requirements based in the 1937 Act so long as the families assisted qualify as low income, and that the total mix of families assisted meets the requirements of part I.C of the MTW Agreement. The Agency is required to revise the Admissions and Continued Occupancy Policy (ACOP), to implement changes in public housing occupancy policy as a result of the MTW program. Regardless of changes to the Agency's adopted ACOP policies and procedures, the Agency must comply with Sections I(B)(1) and II(D) of this Agreement. The Agency is subject to state and local preferences law. *This authorization waives certain provisions of Section 3 of the 1937 Act and 24 C.F.R. 960.206 as necessary to implement the Agency's Annual MTW Plan.*

3. Deconcentration Policy

The Agency is authorized to develop and adopt a local policy designed to provide for deconcentration and income mixing in public housing communities. *This authorization waives certain provisions of Section 16(3)(B) of the 1937 Act and 24 C.F.R. 903.2 as necessary to implement the Agency's Annual MTW Plan.*

4. Initial, Annual and Interim Income Review Process

The Agency is authorized to restructure the initial, annual and interim review process in the public housing program in order to affect the frequency of the reviews and the methods and process used to establish the integrity of the income information provided. In addition, the Agency is expressly authorized to adopt a local system of income verification in lieu of the current HUD system. For example, the Agency may implement alternate time frames for validity of verification or adopt policies for verification of income and assets through sources other than those currently allowed under the 1937 Act. *This authorization waives certain provisions of sections 3(a)(1) and 3(a)(2) of the 1937*

Act and 24 C.F.R. 966.4 and 960.257, as necessary to implement the Agency's Annual MTW Plan.

5. Use of Public Housing as an Incentive for Economic Progress

The Agency is authorized to modify current public housing occupancy policies to use housing as an incentive for making economic progress, as long as Section II.C. of the MTW Agreement is adhered to. Such modifications may include revising maximum income limits for admission or continued occupancy. Families denied admission or continued occupancy shall continue to be entitled to the right to an informal hearing. *This authorization waives certain provisions of Section 6(c) of the 1937 Act and 24 C.F.R. 960.201, as necessary to implement the Agency's Annual MTW Plan.*

6. Incentives for Underutilized Developments

The Agency is authorized to develop and offer incentives that will attract applicants to developments, or portions thereof, which have been difficult to market. *This authorization waives certain provisions of Section 3(a)(2) and 3(a)(3)(A) of the 1937 Act and 24 C.F.R. 960 subpart B as necessary to implement the Agency's Annual MTW Plan.*

7. Simplification of the Development and Redevelopment Process for Public Housing

This authorization waives certain provisions of Sections 4, 5, 9, 24, 32 and 35 of the 1937 Act and 24 C.F.R. 941 as necessary to implement the Agency's Annual MTW Plan.

- a. The Agency may, at its own discretion, allow any authorizations and regulatory relief granted to the Agency pursuant to this MTW Agreement to inure to the benefit of the Agency's Partners with respect to MTW eligible activities, and HUD hereby agrees to the amendment of any and all evidentiaries necessary to implement the least restrictive regulatory requirements allowable.
- b. The Agency is authorized to establish reasonable low-income homeownership programs, such as a lease-to-own program, that are not limited by the existing public housing homeownership requirements, provided that units can only be sold to current public housing residents and that any disposition of current public housing units must be approved in advance by HUD. Any disposition application will be submitted and processed in accordance with this Agreement.

8. Streamlined Demolition and Disposition Procedures

The Agency may choose to follow HUD's "Streamlined Processing Instructions for Disposition, Demolition, and Disposition/Demolition Applications from MTW Agencies."

9. Simplification of Property Management Practices

The Agency is authorized to simplify property management practices as follows:

- a. The Agency is authorized to deploy a risk management approach in establishing property and system inspection protocols and frequencies in lieu of the HUD requirements of annual inspections by Agencies, as long as these protocols assure that housing units assisted under the demonstration meet housing quality standards approved or established by the Secretary. *This authorization waives certain provisions of Section 6 (f) of the 1937 Act and 24 C.F.R. 902-Subpart B as necessary to implement the Agency's Annual MTW Plan.*

- b. The Agency is authorized to develop and adopt a new form of local lease and establish community rules, grievance procedures, tenant self-sufficiency requirements and reasonable tenant fees based on proven private management models (subject to State and local laws), provided that no-cause evictions are not permitted. *This authorization waives certain provisions of Section 6 (l) of the 1937 Act and 24 C.F.R. 966 Subparts A and B as necessary to implement the Agency's Annual MTW Plan.*

10. Special Admissions and Occupancy Policies for Certain Public Housing Communities

The Agency is authorized to involve a broad spectrum of community stakeholders, including advocacy groups, in a process to explore and adopt reasonable restrictions for occupancy of specific public housing buildings in the Agency's inventory. Buildings, or portions of buildings (floors, units), may be designated as Smoke-Free, Pet-Free or Assisted Living (or other similar reservations). The Agency may establish admissions preferences in order to establish these special occupancy requirements. A key goal of this initiative will be to ensure that the Agency is able to maintain and improve the quality of life in the Agency communities. These reservations or policies must not have a disparate impact on protected classes and must be operated in a manner that is consistent with the requirements of Section 504 of the Rehabilitation Act. Any such designations or policies will include adequate safeguards for the disabled, including protections for disabled persons who are Agency residents and those seeking housing assistance. Residents can voluntarily participate in any of the services provided. Once adopted, the designations or policies will be updated and reviewed as part of the Annual MTW Plan and Report submitted by the Agency for HUD's review. In particular, the Agency will review the demographic make-up of its current resident population and applicants to assess the need for and support any changes to its designations or policies. *This authorization waives certain provisions of Sections 3, 6, 7, 16, and 31 of the 1937 Act and 24 C.F.R. 945 subpart C, 960 Subparts B, D, E and G as necessary to implement the Agency's Annual MTW Plan.*

11. Rent Policies and Term Limits

The Agency is authorized to determine family payment, including the total tenant payment, the minimum rent, utility reimbursements and tenant rent. The Agency is authorized to adopt and implement any reasonable policies for setting rents in public housing including but not limited to establishing definitions of income and adjusted income, or earned income disallowance that differ from those in current statutes or regulations. The Agency is authorized to adopt and implement term limits for its public housing assistance. Such policies must include provisions for addressing hardship cases. *This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency's Annual MTW Plan.*

12. Design Guidelines

The Agency is authorized to establish reasonable and modest design guidelines, unit size guidelines and unit amenity guidelines for development and redevelopment activities that will replace HUD guidelines with guidelines that reflect local marketplace conditions for quality construction in its locality so long as all units meet housing quality standards approved by the Secretary. *This authorization waives certain provisions of Sections 4, 5, and 9 of the 1937 Act and 24 C.F.R. 941.202, 941.203, 941.401, and 941.403 as*

necessary to implement the Agency's Annual MTW Plan.

13. Site Acquisition

The agency is authorized to acquire sites without prior HUD approval, provided that the agency certifies that HUD site selection requirements have been met. *This authorization waives certain provisions of 24 C.F.R. 941.401 as necessary to implement the Agency's Annual MTW Plan.*

14. Commercial Business Venture

The Agency is authorized to enter into commercial business ventures as part of its neighborhood revitalization or affordable housing strategies or other strategies designed to serve as catalysts for revitalization of public housing or surrounding communities. Any venture must be consistent with eligible uses of funds under Sections 8 and 9 of the 1937 Act. *This authorization waives certain provisions of 24 C.F.R. 941 subpart F as necessary to implement the Agency's Annual MTW Plan.*

15. Available Property

The Agency is authorized to make available public housing property including dwelling and non-dwelling spaces and vacant land for the purpose of providing services, programs and capital improvements that benefit residents and program participants. *This authorization waives certain provisions of Section 9 of the 1937 Act and 24 C.F.R. 990 Subpart B as necessary to implement the Agency's Annual MTW Plan.*

16. Total Development Cost (TDC) limits

The agency is authorized to establish reasonable cost formulas for development and redevelopment activities that will replace HUD's TDC limits in order to reflect local marketplace conditions for quality construction in its locality. *This authorization waives certain provisions of Section 6(b) of the 1937 Act and 24 C.F.R. 941.306 as necessary to implement the Agency's Annual MTW Plan.*

D. Authorizations Related to Section 8 Housing Choice Vouchers Only

1. Operational Policies and Procedures

The Agency is authorized to determine the following basic operational policies and procedures for all Section 8 assistance the Agency is provided under section 8(o) of the 1937 Act:

- a. The Agency is authorized to determine the term and content of Housing Assistance Payment (HAP) contracts to owners during the term of the MTW demonstration. However, any revised HAP contract must include language noting that the funding for the contract is subject to the availability of Appropriations. *This authorization waives certain provisions of Section 8(o)(7) of the 1937 Act and 24 C.F.R. 982.162 as necessary to implement the Agency's Annual MTW Plan;*
- b. The Agency is authorized to determine the length of the lease period, when vouchers expire and when vouchers will be reissued. *This authorization waives certain provisions of Sections 8(o)(7)(a), 8(o)(13)(F) and 8(o)(13)(G) of the 1937 Act and 24 C.F.R. 982.303, 982.309 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan;*

- c. The Agency is authorized to define, adopt and implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(5) of the 1937 Act and 24 C.F.R. 982.516 as necessary to implement the Agency's Annual MTW Plan;*
- d. The Agency is authorized to determine a damage claim and/or vacancy loss policy and payment policy for occupied units that differs from the policy requirements currently mandated in the 1937 Act and its implementing regulations. Damage and vacancy authority are subject to state and local laws. *This authorization waives certain provisions of Section 8(o)(9), of the 1937 Act and 24 C.F.R. 982.311 as necessary to implement the Agency's Annual MTW Plan;*
- e. The Agency is authorized to determine the percentage of housing voucher assistance that it is permitted to project-base, and criteria for expending funds for physical improvements on those units that differs from the percentage and criteria requirements currently mandated in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(13) of the 1937 Act and 24 C.F.R. 983 as necessary to implement the Agency's Annual MTW Plan;*
- f. The Agency is authorized to determine property eligibility criteria, including types of units currently prohibited by Section 8 regulations, as well as shared living facilities. If the Agency chooses to use this authorization, it will need to provide a transition plan to both the affected residents and HUD prior to the end of the demonstration. *This authorization waives certain provisions of Section 8(p) of the 1937 Act and 24 C.F.R. 983.53-54 and 982 Subparts H and M as necessary to implement the Agency's Annual MTW Plan; and*
- g. The Agency is authorized to establish its own portability policies with other MTW and non-MTW housing authorities. *This authorization waives certain provisions of Section 8(r) of the 1937 Act and 24 C.F.R. 982 Subpart H as necessary to implement the Agency's Annual MTW Plan.*

2. Rent Policies and Term Limits

- a. The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. The Agency is authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503 and 982.518, as necessary to implement the Agency's Annual MTW Plan;*

- b. The Agency is authorized to determine contract rents and increases and to determine the content of contract rental agreements that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(7) and 8(o)(13) of the 1937 Act and 24 C.F.R. 982.308, 982.451 and 983 Subpart E as necessary to implement the Agency's Annual MTW Plan;*
- c. The Agency is authorized to develop a local process to determine rent reasonableness that differs from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(10) of the 1937 Act and 24 C.F.R. 982.507 as necessary to implement the Agency's Annual MTW Plan; and*
- d. The Agency is authorized to implement term limits for HCV units designated as part of the MTW demonstration. *This authorization waives certain provisions of Sections 8(o)(7) and 8(o)(13)(F)-(G) of the 1937 Act and 24 C.F.R. 982 Subpart L and 983 Subpart E as necessary to implement the Agency's Annual MTW Plan.*

3. Eligibility of Participants

- a. The Agency is authorized to determine income qualifications for participation in the rental assistance program that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations, as long as the requirements that i) at least 75 percent of those assisted under the demonstration are "very low-income" as defined in section 3(b)(2) of the 1937 Act, ii) substantially the same number of low-income persons are assisted under the demonstration as would be without the MTW authorizations contained herein, and iii) a comparable mix of families are assisted under the Agreement as would have been otherwise in Section I.C. of the MTW Agreement are met. *This authorization waives certain provisions of Sections 16(b) and 8(o)(4) of the 1937 Act and 24 C.F.R. 5.603, 5.609, 5.611, 5.628, and 982.201 as necessary to implement the Agency's Annual MTW Plan; and*
- b. The Agency is authorized to adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of 24 C.F.R. 982.516 and 982 Subpart E, as necessary to implement the Agency's Annual MTW Plan.*

4. Waiting List Policies

The Agency is authorized to determine waiting list procedures, tenant selection procedures and criteria and preferences, including authorizing vouchers for relocation of witnesses and victims of crime that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act*

and 24 C.F.R. 982 Subpart E, 982.305 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan.

5. Ability to Certify Housing Quality Standards

The Agency is authorized to certify that housing assisted under MTW will meet housing quality standards established or approved by HUD. The certification form will be approved or provided by HUD. *This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982, Subpart I as necessary to implement the Agency's Annual MTW Plan.*

6. Local Process to Determine Eligibility

The Agency is authorized to adopt a local process for determining whether units meet certain eligibility requirements, provided such requirements are part of the 1937 Act. *This authorization waives certain provisions of Section 8(o)(13) of the 1937 Act and 24 C.F.R. 983 Subpart D as necessary to implement the Agency's Annual MTW Plan.* This includes, but is not limited to, the following:

- a. The minimum expenditure requirement and the timing of rehabilitation and construction of units.
- b. The type of funds that may be used to rehabilitate or construct units.
- c. Procedures to determine whether or not units meet the Agency's requirements regarding rehabilitation and construction, including what information is required to be submitted by owners to the Agency.

7. Establishment of an Agency MTW Section 8 Project-Based Program

The Agency is authorized to develop and adopt a reasonable policy and process for project-basing Section 8 tenant-based leased housing assistance, which includes the components set forth below:

- a. The Agency is authorized to project-base Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing, subject to HUD's requirements regarding subsidy layering. If the Agency chooses to project-base Section 8 assistance at such properties, the Agency recognizes and accepts that such units would no longer be eligible for operating subsidy provided under Section 9(e) of the 1937 Housing Act or for future capital funds provided under section 9(d) for those units if it chooses to use this authorization. Project-based assistance for such owned units does not need to be competitively bid, nor are the owned units subject to any required assessments for voluntary conversion. *This authorization waives certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 C.F.R. 982.1, 982.102 and 24 C.F.R. Part 983 as necessary to implement the Agency's Annual MTW Plan;*
- b. The Agency is authorized to establish a reasonable competitive process or utilize an existing local competitive process for project-basing leased housing assistance at units that meet existing Housing Quality Standards, or any standards developed by the Agency pursuant to this MTW Agreement and approved by the Secretary, and that are owned by non-profit, or for-profit housing entities. *This authorization waives certain provisions of 24 C.F.R. 983.51 as necessary to implement the*

Agency's Annual MTW Plan;

- c. The Agency is authorized to duly adopt, according to the requirements of local law, alternate standards for determining the location of existing, newly constructed or substantially rehabilitated housing to receive subsidy; provided, however, *that in lieu of the Site Selection Standards currently set forth in 24 C.F.R. Section 983.57*, the agency will comply with the following requirements:
 - i. The Agency will comply with the Fair Housing Act and Title VI of the Civil Rights Act of 1964, and implementing regulations thereto, in determining the location of newly constructed or acquired public housing units.
 - ii. Units may be located in the agency's jurisdiction, including within, but not limited to, the following types of urban areas: (1) an area of revitalization that has been designated as such by the governing jurisdiction, including Redevelopment Areas and Enhanced Enterprise Communities, (2) an area where public housing units were previously constructed and were demolished, (3) a racially or economically impacted area where the agency plans to preserve existing affordable housing, (4) in connection with a HOPE VI or other HUD funded master planned development, (5) in areas where a needs analysis indicates that subsidized housing represents a low percentage of the total number of housing units in the area, or (6) relocating units to an area with a lower concentration of public housing units.
 - iii. Conduct a housing needs analysis indicating that there is a real need for the housing in the area; and
 - iv. When developing or substantially rehabilitating six or more Section 8 project-based units, the agency will: (1) advise current residents of the subject properties and representative community groups in the vicinity of the subject property by letter to resident organizations and by public meeting, of the agency's revitalization plan; and (2) certify to HUD in its Annual MTW Report that the comments from Residents and representative community groups have been considered in the revitalization plan. Documentation evidencing that the agency has met the stated requirements will be maintained at the housing authority and submitted to HUD in its Annual MTW Report.
- d. All units that receive project-based Section 8 assistance must meet either (i) existing HQS standards established by the Secretary or (ii) a local standard for communities receiving project-based Section 8 assistance developed by the Agency and approved by the Secretary pursuant to this MTW Agreement, as applicable. *This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982 Subpart I as necessary to implement the Agency's Annual MTW Plan.*

8. Homeownership Program

- a. The Agency is authorized to establish reasonable Section 8 homeownership programs that are not limited by the existing Section 8 homeownership requirements. *This authorization waives certain provisions of Section 8(o)(15) and 8(y) of the 1937 Act and 24 C.F.R. 982.625 through 982.643 inclusive as necessary to implement the Agency's Annual MTW Plan; and*
- b. The Agency is authorized to permit current public housing residents who are on a merged waiting list to obtain a Section 8 homeownership voucher. *This authorization waives certain provisions of Sections 8(o)(15) and 8(y) of the 1937 Act and 24 C.F.R. 982.625 through 982.643 inclusive as necessary to implement the Agency's Annual MTW Plan.*

E. Authorizations Related to Family Self Sufficiency

The Agency is authorized to operate any of its existing self-sufficiency and training programs, including its Family Self-Sufficiency (FSS) Program and any successor programs exempt from certain HUD program requirements. These may include those requirements governing program size or participation, including whether to establish escrow accounts and other rent incentives and whether to establish mandatory self-sufficiency participation requirements. If the Agency receives dedicated funding for an FSS coordinator, such funds must be used to employ a self-sufficiency coordinator. In developing and operating such programs, the Agency is authorized to establish strategic relationships and partnerships with local private and public agencies and service providers to leverage expertise and funding. However, notwithstanding the above, any funds granted pursuant to a competition must be used in accordance with the NOFA and the approved application and work plan. *This authorization waives certain provisions of Section 23 of the 1937 Act and 24 C.F.R. 984 as necessary to implement the Agency's Annual MTW Plan.*

ATTACHMENT D

LEGACY AND COMMUNITY-SPECIFIC AUTHORIZATIONS

TO AMENDED AND RESTATED MOVING TO WORK AGREEMENT BETWEEN U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND THE HOUSING AUTHORITY OF THE CITY OF SAN JOSE

A. Relationship between Housing Authorities

The Housing Authority of the City of San Jose (HASJ) has agreed that on HASJ's behalf the Housing Authority of the County of Santa Clara (HACSC) may submit Annual MTW Plans, Annual MTW Reports and any other MTW documents relating to HASJ's MTW Agreement, and may take any actions authorized by HASJ's MTW Agreement. The actions HACSC may take under its MTW Agreement or HASJ's MTW Agreement may include, without limitation, use of any MTW Funds originally committed to HACSC or HASJ, for any purpose and in any manner authorized for either HACSC or HASJ under either MTW Agreement. Annual MTW Plans and Annual MTW Reports may be consolidated to cover the MTW activities of both HACSC and HASJ. HASJ will give HUD at least one year's notice of any revocation or material modification of this agreement with HACSC. Notwithstanding such consolidation, HACSC and HASJ shall continue to provide separate reports regarding program activities, including financial reports, to the extent required by HUD.

B. Type and Frequency of Inspections for Voucher Program

HASJ is authorized to deploy a risk management approach in establishing property and system inspection protocols and frequencies in lieu of the HUD requirements of annual inspections by Agencies, as long as these protocols assure that housing units assisted under the demonstration meet housing quality standards approved or established by the Secretary. *This authorization waives certain provisions of Section 8(o) of the 1937 Act and 24 C.F.R. 982 and 985 as necessary to implement the Agency's Annual MTW Plan.*

C. Reporting on Other Families Served

Notwithstanding anything to the contrary in Attachment B, HASJ will not report on or otherwise consider "Other families served" for purposes of measuring and determining compliance with MTW requirements regarding number of eligible low-income families and mix of family sizes to be served.

FIRST AMENDMENT
TO
MOVING TO WORK AGREEMENT
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
HOUSING AUTHORITY OF THE CITY OF SAN JOSE

This First 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 City of San Jose ("Agency") and is effective on the date of execution by HUD. Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings ascribed to them in the Agreement.

Attachment A to the Agreement is amended as follows:

The following language is added to the end of paragraph C.4 of Attachment A to the MTW Agreement:

Commencing with calendar year 2010, administrative fee eligibility for each calendar year will be calculated in accordance with the appropriations requirements (including Continuing Resolutions where applicable) for that calendar year. This methodology will apply only to those vouchers for which administrative fees are not already included in a combined calculation of both housing assistance and administrative fees. In every year, fee eligibility will be pro-rated at the same level as applies to all other agencies. Administrative fees for vouchers added to the agency's inventory after the base period will be paid according to each year's appropriation requirements.

Attachment D is amended as follows:

Add the following language is added to Attachment D to the MTW Agreement:

Use of MTW Funds

The Agency and HUD acknowledge that Section 204(a) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134) provides that an agency participating in the MTW demonstration program may combine public housing operating and capital funds provided under Section 9 of the U.S. Housing Act of 1937 (the "1937 Act") and voucher program funds provided under Section 8 of the 1937 Act "to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work on such terms and conditions as the agency may propose and the Secretary may approve."

The Agency and HUD further acknowledge that the terms of the agreement under which the Agency participated in the MTW demonstration program prior to the Amended and Restated MTW Agreement (the "Original MTW Agreement") did not state that the use of such combined


public housing operating and capital funds and voucher program funds (collectively, "MTW Funds") was restricted to those uses specified in Sections 8 and 9 of the 1937 Act.

The Agency and HUD hereby agree that they do not intend for the Amended and Restated MTW Agreement to limit or restrict the authority to use MTW Funds as provided by the Original MTW Agreement, that notwithstanding any language to the contrary, those provisions in this Agreement or its attachments that restrict the use of funds to Sections 8 and 9 are repealed, and the Agency may use MTW Funds to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work, whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, provided such uses are consistent with other requirements of the MTW statute [i.e., including but not limited to the requirements to maintain a comparable mix of families and serve substantially the same number of families as would have been assisted if the Agency were not in the MTW demonstration, assuring that housing assisted under the demonstration meets housing quality standards established or approved by the Secretary, that at least 75 percent of the families assisted be very low income families, that the agency has established a reasonable rent policy that is designed to encourage employment and self-sufficiency by participating families, that the requirements of sections 12 of the 1937 Act are applied to any housing assisted under the demonstration other than housing assisted solely because of occupancy by families receiving tenant-based assistance, and that Section 18 of the 1937 Act shall continue to apply to public housing notwithstanding the use of any use of the housing under the demonstration] and have been proposed in an Agency's Annual MTW Plan and approved by HUD.

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 First Amendment to be executed by their duly authorized representatives.

HOUSING AUTHORITY OF THE CITY OF SAN JOSE

By: 

Name: Alex Sanchez

Its: Executive Director

Date: 4/23/10

04/06/2010

UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

By: 

Name: Sandra B. Henriquez

Its: Assistant Secretary

Date: 04/30/2010

Moving to Work Agreement

This Moving to Work Demonstration Agreement (Agreement) is entered into on this 26th day of FEB 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). The term of this Agreement shall begin on the Date of Execution by HUD and shall continue until the end of the Agency's 2018 Fiscal Year, subject to meeting the evaluation criteria described in Section IV, unless such term is otherwise extended by HUD; and

WHEREAS, Section 204 of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134) (1996 Appropriations Act) establishes the statutory framework known as the Public Housing/Section 8 Moving to Work (MTW) demonstration program; and

WHEREAS, Section 204(a) of the 1996 Appropriations Act provides that public housing agencies that administer Section 8 and public housing (Agencies) and the Secretary of HUD (Secretary) shall have the flexibility to design and test various approaches for providing and administering housing assistance that: 1) reduce cost and achieve greater cost effectiveness in Federal expenditures; 2) give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and 3) increase housing choices for low-income families (the three statutory objectives); and

WHEREAS, pursuant to Section 204(a) of the 1996 Appropriations Act, HUD may permit Agencies to combine funds appropriated under sections 8 and 9 of the 1937 Act, and may exempt Agencies from provisions of the 1937 Act and implementing regulations thereunder pertaining to Public and Indian Housing and section 8 voucher assistance; and

WHEREAS, pursuant to Section 230 of H.R. 2764, the Consolidated Appropriations Act, 2008, the Secretary of Housing and Urban Development shall increase, pursuant to this section, the number of Moving-to-Work agencies authorized under section 204, title II, of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996 (Public Law 104-134; 110 Stat. 1321-281) by making individually the Alaska Housing Finance Corporation and the housing authorities of the counties of San Bernardino and Santa Clara and the city of San Jose, California, a Moving-to-Work Agency under such section 204; and

WHEREAS, the Secretary determined that the Agency satisfies the Secretary's selection criteria and selected the Agency to participate in MTW; and

WHEREAS, the parties have previously entered into one or more Annual Contributions Contracts (ACCs) setting forth the terms and conditions under which the Agency participates in the public housing and/or Section 8 Housing Choice Voucher programs administered by HUD; and

WHEREAS, the parties agree to execute this Agreement; and

WHEREAS, it is a goal of the MTW demonstration to design and test innovative methods of providing housing and delivering services to low-income families in an efficient and cost effective manner, and HUD and the Agency agree to fully cooperate with each other in order to make the demonstration a success;

NOW, THEREFORE, in reliance upon and in consideration of the mutual representations and obligations hereunder, the parties do agree as follows:

I. Statutory Authorizations

- A. This Agreement waives certain provisions of the United States Housing Act of 1937, as amended (1937 Act), and HUD's implementing requirements and regulations thereunder, as are set forth in the Statement of Authorizations (Attachment C), and the Legacy and Community-Specific Authorizations (Attachment D) only to the extent they are necessary to implement the Agency's Annual MTW Plan. Except as noted in Section I.B. below, this Agreement supersedes the terms and conditions of one or more ACCs between the Agency and HUD, to the extent necessary for the Agency to implement its MTW demonstration initiatives as laid out in the Agency's Annual MTW Plan, as approved by HUD.
- B. Notwithstanding the preceding authority waiving certain provisions of the 1937 Act as necessary to implement the Agency's Annual MTW Plan, the following provisions of the 1937 Act, as otherwise applicable, shall continue to apply to the Agency and/or assistance received pursuant to the 1937 Act:
 1. The terms "low-income families" and "very low-income families" shall continue to be defined by reference to Section 3(b)(2) of the 1937 Act (42 U.S.C. § 1437a(b)(2));
 2. Section 12 of the 1937 Act (42 U.S.C. § 1437j), as amended, shall apply to housing assisted under the demonstration, other than housing assisted solely due to occupancy by families receiving tenant-based assistance; and
 3. Section 18 of the 1937 Act (42 U.S.C. § 1437p, as amended by Section 1002(d) of Public Law 104-19, Section 201(b)(1) of Public Law 104-134, and Section 201(b) of Public Law 104-202), governing demolition and disposition, shall continue to apply to public housing notwithstanding any use of the housing under MTW.
- C. This Agreement only waives certain provisions of the 1937 Act and its implementing regulations. Other federal, state and local requirements applicable to public housing shall continue to apply notwithstanding any term contained in this Agreement or any Authorization granted thereunder. Accordingly, if any requirement applicable to public housing, outside of the 1937 Act, contains a provision that conflicts or is inconsistent with any authorization granted in this Agreement, the MTW Agency remains subject to the terms of that requirement. Such requirements include, but are not limited to, the following: 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 (including regulations promulgated by HUD thereunder in 24 C.F.R. part 85).

- D. The MTW Agency is authorized to conduct activities in accordance with the Statement of Authorizations (Attachment C) and in accordance with the Legacy and Community-Specific Authorizations (Attachment D), as applicable. In the event of a conflict between Attachment C and Attachment D, the authorizations in Attachment D will supersede those in Attachment C.
- E. Notwithstanding any provision set forth in this MTW Agreement, including without limitations, the term of years and all extensions, renewals and options, and the terms set forth herein otherwise, any federal law that amends, modifies, or changes the aforementioned term of years and/or other terms of this Agreement shall supersede this Restated Agreement such that the provisions of the law shall apply as set forth in the law.

II. Requirements and Covenants

- A. The amount of assistance received under sections 8 or 9 of the 1937 Act by an Agency participating in the demonstration shall not be diminished by the Agency's participation in the MTW demonstration.
- B. The Agency agrees that any HUD assistance that the Agency is authorized to use under the MTW demonstration shall be used in accordance with the Agency's Annual MTW Plans, as may be applicable. The Agency hereby certifies that the Agency's governing board has approved this Agreement, and each Annual MTW Plan issued prior to the date hereof, as applicable, and that a copy of each such board approval has been provided to HUD.
- C. The Agency shall hold at least one public hearing per Annual MTW submission, and make the Annual MTW Plan available for public comment for at least thirty (30) days. The Agency agrees to take into account public comments on the program design, including comments from current tenants/participants, to the extent such comments were provided.
- D. The Agency shall: (i) ensure that at least 75 percent of the families assisted are very low-income families, as defined in section 3(b)(2) of the 1937 Act, (ii) assist substantially the same total number of eligible low-income families under MTW, as would have been served absent the demonstration, and (iii) maintain a comparable mix of families by family size, as would have been served or assisted had the amounts not been used under the demonstration.
- E. When providing public housing, the Agency will ensure that it is safe, decent, sanitary, and in good repair, according to an inspection protocol established or approved by the Secretary. This in no way precludes the Agency from modifying its own inspection

protocol as authorized in Attachments C and/or D as long as such protocol meets the housing quality standards established or approved by the Secretary.¹

- F. The Agency agrees to keep project level budgeting and accounting, report financial statements in the Financial Data Schedule (FDS)², and abide by project level management reviews and fees. The Agency will conform to OMB Circular A-87 and the HUD definition of reasonable fees as defined in 24 CFR part 990, and HUD's Financial Management Guidebook 7475.1 and Supplement, as they may be amended.
- G. HUD will not score the Agency under HUD's Public Housing Assessment System (PHAS) or HUD's Section Eight Management Assessment Program (SEMAP), or their successor systems, unless the Agency elects to be scored. If the Agency elects to be scored, the agency will continue to be scored for the duration of the demonstration.
- H. The Agency agrees to cooperate fully with HUD and its contractors in the monitoring and evaluation of the MTW demonstration, to keep records, and to submit reports and other information to HUD as described in the Agreement.
- I. The Agency shall comply with the requirements of the National Environmental Policy Act (NEPA) and other related federal laws and authorities identified in 24 C.F.R. Part 50 or Part 58, as applicable.
- J. The Agency will comply with all applicable nondiscrimination and equal opportunity requirements set forth in 24 C.F.R. § 5.105(a), and will administer its programs and activities in a manner affirmatively to further fair housing. In particular, the Agency must make reasonable accommodations needed by applicants and residents and must make units accessible in accordance with the Needs Assessment and Transition Plan as required under Section 504 of the Rehabilitation Act of 1973 and its implementing regulations.
- K. The Agency will comply with the terms of any applicable court orders or Voluntary Compliance Agreements that are in existence or may come into existence during the term of the Agreement. The Agency further agrees that it will cooperate fully with any investigation by the HUD Office of Inspector General or any other investigative and law enforcement agencies of the U.S. Government.
- L. Unless otherwise provided herein, this Agreement does not apply to Section 8 assistance that is required:
 - 1. To meet existing contractual obligations of the Agency to a third party (such as Housing Assistance Payment contracts with owners under the Agency's Section 8 Housing Choice Voucher program);
 - 2. For payments to other public housing authorities under Section 8 portability billing procedures; or

¹ Agencies are still subject to state and local building codes, and housing codes, and state and local public housing law on inspections.

² The Agency agrees to comply with FDS submission requirements, including the requirement to submit project level financial data in the FDS.

3. To meet particular purposes for which HUD has expressly committed the assistance to the Agency.

The aforementioned covenants made by the Agency are not exclusive, as the Agency must also comply with all requirements applicable to public housing other than both those provisions of the 1937 Act, as amended from time to time, and its implementing regulations specifically waived by the Authorizations contained in this Agreement.

III. Rent Reform Initiatives

The Agency shall establish a reasonable rent policy that is designed to encourage employment and self-sufficiency by participating families, consistent with the purpose of this demonstration. In developing its rent policy, the Agency must adopt a policy for addressing hardship cases. To meet the Department's purposes of evaluating the MTW demonstration, Agencies may randomly assign new participants into the MTW group, which will provide an alternate program/rent structure, and into a control group, which will continue to operate under the 1937 Act requirements, and collect useful participant data at the point of random assignment.

IV. Evaluation

- A. HUD will consider the following criteria when evaluating whether this Agency shall continue in the MTW Demonstration:
 1. The Agency is in compliance with this Agreement.
 2. The Annual MTW Plans and Reports have been satisfactorily completed and submitted in a timely manner, consistent with this Agreement; and
 3. The Agency has demonstrated, through the Annual MTW Plan and Report, that it has used its MTW designation (i.e., engaged in MTW Activities), as set forth in Section 204 of the 1996 Appropriations Act.
- B. If, after the evaluation during FY 2011 and FY 2014, HUD determines that the Agency fails to meet the above criteria, HUD can terminate this Agreement.

V. Amendments and Continuation of Activities

- A. Amendment of this Agreement. This Agreement may be further amended upon mutual agreement of the Agency and HUD. Proposed amendments by the Agency to the Agreement shall be submitted in writing to HUD's Office of Public and Indian Housing, or its successor, only after the Agency has conducted a public hearing, considered comments from the hearing in drafting the proposed amendment, and obtained an approval from the Agency's Board of Commissioners or Directors, as applicable. HUD will respond to the Agency in writing to either approve and execute or disapprove the amendment request. The Statement of Authorizations (Attachment C) may be unilaterally amended by HUD only in order to add to the existing authorizations. The Legacy and Community-Specific Authorizations (Attachment D) may be amended upon mutual agreement between HUD and the Agency. In the event of a conflict between Attachment C and Attachment D, the authorizations in Attachment D supersede the authorizations in Attachment C.

- B. Amendment of the Annual MTW Plan. Amendments to the Annual MTW Plan only need to be made if the proposed MTW activity falls outside the scope of the HUD-approved Annual MTW Plan. An MTW activity is defined as an activity that an Agency participating in the MTW demonstration is authorized to undertake only by means of invoking an authorization included in Attachment C or Attachment D of this Agreement, as opposed to an activity that a non-MTW agency could undertake pursuant to the conventional public housing and Section 8 Housing Choice Voucher programs' statutory and regulatory requirements. Proposed amendments by the Agency to the Annual MTW Plan shall be submitted in writing to HUD's Office of Public and Indian Housing, or its successor, only after the Agency has conducted a public hearing, considered comments from the hearing in drafting the proposed amendment, and obtained an approval from the Agency's Board of Commissioners or Directors, as applicable. HUD will respond in writing to either approve or disapprove the amendment request.

The letter requesting any amendment to the Annual MTW Plan should include the following information in relation to the proposed MTW Activity:

1. Description of the proposed activity;
2. Description of how the activity relates to at least one of the three statutory objectives;
3. Identification and discussion of the anticipated impact of the proposed MTW activity on the stated objective;
4. Description of the baselines and benchmarks that the Agency will use to measure the performance and progress of the MTW activities;
5. Description of the data collection process and metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives; and
6. The specific provision of the 1937 Act or regulation that is waived under MTW that authorized the Agency to make this change, when applicable.

C. Continuation of Activities.

1. Not later than one year prior to expiration of this Agreement, the Agency shall submit a transition plan to HUD. It is the Agency's responsibility to plan in such a manner that it will be able to end all features of the MTW Plan upon expiration of the Agreement, as HUD cannot guarantee that it will be able to extend any features of the Plan. The transition plan shall describe plans for phasing out of such authorizations/features. The plan shall also include any proposals of authorizations/features of the Agreement that the Agency wishes to continue beyond the expiration of the Agreement. The Agency shall specify the proposed duration, and shall provide justification for extension of such authorization/features. HUD will respond to the Agency in writing in a timely manner. Only authorizations/features specifically approved for extension shall continue beyond the term of the MTW Agreement. The extended features shall

remain in effect only for the duration and in the manner specified in the approved transition plan.

2. HUD will review and respond to timely-submitted transition plans within 75 days or they are deemed approved. To the extent that HUD has questions or feedback within this 75-day period, HUD will transmit such information within a sufficient time period for the Agency to respond and for HUD to approve a transition plan within 75 days of submission of the plan.

VI. Funding

- A. Funding Methodology. During the term of the MTW demonstration, HUD will provide the Agency with public housing operating subsidies, and modernization or capital funds (including development and replacement housing factor funds), and with tenant-based Section 8 assistance, as provided in Attachment A. If the Agency's Attachment A does not describe the funding methodology for any of these funding streams, the Agency's funding will be calculated according to standard HUD calculations of Agency benefits.
- B. Funding Disbursements. The Agency will receive its public housing operating subsidy and Section 8 tenant-based funding in accordance with the following calculation and disbursement requirements:
 1. Operating Fund subsidies
 - a. HUD shall calculate the allocation of Operating Fund subsidies to the Agency in accordance with Attachment A.
 - b. The Agency may use these funds for any eligible activity permissible under Section 9(e)(1) of the 1937 Act or, if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use these funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Agreement.
 2. Capital Funds and Other Grants
 - a. HUD shall calculate the allocation of Capital Fund grants (including replacement housing factor fund grants) to the Agency in accordance with Attachment A. Capital Funds will be disbursed in accordance with standard HUD procedures for the disbursement of public housing Capital Fund Grants.
 - (i) In requisitioning grant funds, the Agency will not be required to provide line item detail, but will request the funds using a single MTW line item; provided however, that the Agency may not accelerate draw downs of funds in order to fund reserves.

- (ii) The Agency may use these funds for any eligible activity permissible under Section 9(d)(1) of the 1937 Act, or if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use these funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Agreement.
 - (iii) The Agency is subject to the requirements of Section 9(j) of the 1937 Act with respect to its Capital Fund Grants.
- b. Section 8 Tenant-Based Assistance
 - (i) HUD shall calculate the allocation of Section 8 Housing Choice Voucher funding to the Agency in accordance with Attachment A.
 - (ii) The Agency may use tenant-based Section 8 funds included in the MTW block grant for any eligible activity permissible under Section 8(o) of the 1937 Act or, if the Agency proposes to use the funding as part of a block grant in its Annual MTW Plan, it may use the funds for any eligible activity permissible under Section 8(o), 9(d)(1) and 9(e)(1) consistent with this MTW Agreement.
- c. The Agency may submit for HUD consideration and approval alternative schedules for disbursement of public housing operating subsidy and Section 8 tenant-based funding to reduce the number of transactions and to address the time lag between making Housing Assistance Payments (HAP) for the large number of Section 8 participants from other jurisdictions (portables) and reimbursement by those jurisdictions. An Agency's request for consideration and approval of an alternative schedule for disbursement shall be subject to certain administrative limitations, such as only one request will be allowed per year.

VII. Administrative Responsibilities

A. Annual MTW Planning and Reporting.

1. Annual MTW Plans

- a. If the Agency has ten percent or more of its housing stock in MTW, the Agency will prepare and submit an Annual MTW Plan, in accordance with Attachment B, or equivalent HUD form as approved by OMB, in lieu of the Five (5) year and Annual Plans required by Section 5A of the 1937 Act.
- b. If the Agency has less than ten percent of its housing stock in MTW, the Agency will continue to complete the Five-Year and Annual Plans required by Section 5A of the 1937 Act. The Agency will also complete a Supplemental Annual MTW Plan, based on Attachment B, or equivalent HUD form as approved by OMB. Only information not included in either

the Five-Year Plan or the Annual Plan will need to be included in the Supplemental Annual MTW Plan (herein also referred to as the Annual MTW Plan).

- c. Three (3) copies of the Annual MTW Plan shall be submitted to HUD: one copy will be provided to HUD Headquarters in hard-copy, one copy to HUD Headquarters in electronic format (i.e., PDF, or Word), and one copy to the Agency's local HUD Field Office.
- d. The Annual MTW Plan is due not later than seventy-five (75) days prior to the start of the Agency's fiscal year, unless otherwise approved by HUD, except in the first year of this Agreement the Agency may submit an amendment to its MTW Plan if it wants to implement initiatives prior to the due date of the subsequent MTW Plan.
- e. Attachment B of this Agreement, or equivalent HUD form as approved by OMB, provides a detailed description of the required elements of the Annual MTW Plan.
- f. The Annual MTW Plan will be submitted to HUD only after:
 - (i) The Agency has provided for citizen participation through public hearing and other appropriate means and is approved by the Board of Commissioners or Directors, as applicable, and
 - (ii) The Agency has taken into account public comments on the program design, including comments from current tenants/participants, to the extent such comments were provided. To document the foregoing, the Agency will submit with the Annual MTW Plan documentation that at least one public hearing was held, that the Plan was available for public comment for at least thirty (30) days, and that the Agency took no less than fifteen (15) days between the public hearing and the approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan. The Agency will submit these documents to HUD in accordance with Attachment B, or equivalent HUD form as approved by OMB, and will keep these documents on file for HUD review.
- g. HUD shall notify the Agency in writing if HUD objects to any provisions or information therein. When the Agency submits its Annual MTW Plan seventy-five (75) days in advance of its fiscal year, HUD will respond to the Agency within seventy-five (75) days. If HUD does not respond to the Agency within seventy-five (75) days after an on-time receipt of the Agency's Annual MTW Plan, the Agency's Annual MTW Plan is approved and the Agency is authorized to implement that Plan. If HUD does not receive the Agency's Annual MTW Plan seventy-five (75) days before the beginning of the Agency's fiscal year, the Agency's Annual MTW Plan is

not approved until HUD responds. Reasons that HUD may object to a provision or information in the Annual MTW Plan include, but are not limited to, the following:

- (i) The information required in Attachment B, or equivalent HUD form as approved by OMB, is not provided or is deemed insufficient;
 - (ii) The Agency's planned MTW activities are not permissible under MTW Authority or are inconsistent with requirements outside the 1937 Act³;
 - (iii) The Agency's planned MTW activities do not have a clear connection to the statutory goal of the MTW demonstration, which is to provide Agencies with the flexibility to design and test various approaches for providing and administering housing assistance that: (a) reduce cost and achieves greater cost effectiveness in Federal expenditures; (b) give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and (c) increase housing choices for low-income families; or
 - (iv) There are other good cause factors, such as material misrepresentation, in the submission.
- h. Once HUD approves an MTW Activity, the activity shall remain approved as long as it is included in the Agency's Annual MTW Plan submissions subsequent to the initial approval of the MTW Activity. The approval shall remain in effect until such time as the Agency proposes to modify the activity, initiative, or program.

2. Annual MTW Reports

- a. The Agency will prepare Annual MTW Reports, which will compare the Agency's activities with its Annual MTW Plan. The Annual MTW Report will provide the information necessary for HUD to assess the Agency's activities, in both regular operations and in activities authorized by MTW.
- b. Three (3) copies of the Annual MTW Report shall be submitted to HUD: one copy will be provided to HUD Headquarters in hard-copy, one copy to HUD Headquarters in electronic format (i.e., PDF, or Word), and one copy to the Agency's local HUD Field Office.
- c. The Annual MTW Report will be submitted to HUD for its review annually, no later than ninety (90) days after the end of the Agency's fiscal year.

³ Even if HUD approves a MTW Plan that is inconsistent with an external requirement, such as a state law requirement, the Agency is still subject to the external requirement.

- d. Attachment B of this Agreement, or equivalent HUD form as approved by OMB, provides a detailed description of the required elements of the Annual MTW Report.
 - e. HUD shall notify the Agency in writing if HUD requires additional information or clarifications to the information provided in the Annual MTW Report.
 - f. All HUD forms and other reporting mechanisms required by this Agreement, including any required certifications, will, where appropriate, be included in either the Annual MTW Plan or the Annual MTW Report.
3. HUD reserves the right to request, and the Agency agrees to provide, any information required by law or required for sound administration of the public housing and Section 8 Housing Choice Voucher programs.

B. Other Data Submission Requirements.

- 1. The Agency will submit HUD-50058 data and/or HUD-50058 MTW (or their replacement forms) data to HUD's Public and Indian Housing Information Center (PIC) system, or its successor. (Note that the use of the HUD-50058 MTW form is restricted to the MTW agencies that have implemented MTW Activities that prevent use of the standard 50058 form.) These submissions will be in compliance with HUD's 50058 and/or 50058 MTW submission requirements for MTW public housing authorities. The Agency will maintain current building and unit information in the development module of the PIC Inventory Management System (IMS).
- 2. The Agency will provide basic data about the Agency (e.g., address, phone number, e-mail address, etc.) to HUD through the PIC/IMS system, or its successor system.
- 3. The Agency will complete an annual audit pursuant to the Office of Management and Budget (OMB) Circular A-133 (including the Compliance Supplement, as determined by the auditor to be relevant to MTW). The A-133 Audit must be submitted to HUD in accordance with HUD regulations; a separate copy of the most recently completed audit must be submitted to the Office of Public Housing Investments, or its successor Headquarters Office responsible for national oversight of the MTW demonstration.
- 4. The Agency will provide data to HUD through FDS, or its successor system, as required by the Public Housing Assessment System (PHAS) regulations and procedures as they may be amended.
- 5. The Agency will provide HUD with an electronic version of the Admissions and Continued Occupancy Policy and Administrative Plan upon HUD's request.
- 6. The Agency will provide HUD with a Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant by including this

as a supplement to Attachment B, or equivalent HUD form as approved by OMB.

In addition to the reporting requirements listed above, the Agency is required to comply with any and all HUD reporting requirements that are not specifically waived by HUD.

- C. Annual MTW Monitoring Site Visit. HUD and/or its contractors will conduct at least one formal Site Visit to the Agency each year. The purpose of these visits will be to confirm reported Agency activities, to review the status and effectiveness of the Agency's MTW strategies, and to identify and resolve outstanding MTW related issues. The Agency shall give HUD and/or its contractors unimpeded access to all requested sources of information including access to files, access to units, and an opportunity to interview Agency staff and assisted residents.
- D. Single Point of Contact. HUD and the Agency shall each appoint a liaison as a single point of contact in implementing the Agreement.

VIII. Termination and Default

- A. If the Agency violates this Agreement, HUD is authorized to take any corrective or remedial action described in this Article VIII for Agency default. HUD will give the Agency written notice of any default. The Agency will have the opportunity to cure such default within 30 days of the date of said notice, or to demonstrate within said time period, by submitting substantial evidence satisfactory to HUD, that it is not in default. If the default is not susceptible to being cured within said 30 day period, the Agency will demonstrate, to HUD's satisfaction, that the Agency has taken actions necessary to cure the default and that the default is curable within 90 days from the date of the default notice. Additionally, the Agency must covenant to prosecute such cure diligently and complete such cure within the 90 day period, unless HUD, in its sole judgment, determines that immediate action is necessary, and therefore has discretion to institute the remedies under Section VIII.C. of this Agreement.
- B. The following are reasons that HUD may declare the Agency in default of this Agreement:
 - 1. The Agency has not corrected HUD identified performance deficiencies within a reasonable period of time;
 - 2. Material misrepresentation in the application process that led to the MTW Agreement;
 - 3. Use of funds subject to this Agreement for a purpose other than as authorized by this Agreement;
 - 4. Material noncompliance with legislative, regulatory, or other requirements applicable to this Agreement;
 - 5. Material breach of this Agreement; and/or

6. Material misrepresentation in the Annual MTW Plan or Report submission by the Agency.
- C. If the Agency is in default, HUD may, among other remedies, undertake any one or all of the following remedies:
1. Suspend payment or reimbursement for any MTW activities affected;
 2. Suspend the Agency's authority to make draws or receive or use funds for affected activities;
 3. Change the method of payment to the Agency;
 4. Require additional reporting by the Agency on the deficient areas and the steps being taken to address the deficiencies;
 5. Require the Agency to prepare and follow a HUD-approved schedule of actions and/or a management plan for properly completing the activities approved under this Agreement;
 6. Suspend the MTW waiver authorization for the affected activities;
 7. Prohibit payment or reimbursement for any MTW Activities affected by the default;
 8. Require reimbursement by the Agency to HUD for amounts used in violation of this Agreement;
 9. Reduce/offset the Agency's future funding;
 10. Terminate this Agreement and require the Agency to transition out of MTW;
 11. Take any other corrective or remedial action legally available; and/or
 12. Implement administrative or judicial receivership of part or all of the Agency.
- D. The Agency may choose to terminate this Agreement at any time. Upon HUD's receipt of written notification from the Agency and a copy of a board resolution approving termination, termination will be effective. The Agency will then begin to transition out of MTW, and will work with HUD to establish an orderly phase-out of MTW activities, consistent with Section IV C of this Agreement.

This Agreement, including all Attachments, is effective upon execution, except as otherwise provided herein.


HOUSING AUTHORITY OF THE
COUNTY OF SANTA CLARA

BY: 

ITS: EXECUTIVE DIRECTOR

Date: 02.26.08

UNITED STATES DEPARTMENT OF
HOUSING AND URBAN DEVELOPMENT

BY: 

ITS: Assistant Secretary

Date: 01.04.08

ATTACHMENT A
CALCULATION OF SUBSIDIES
TO
MOVING TO WORK AGREEMENT
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA

Upon execution of the Moving to Work (MTW) Agreement (MTW Agreement) between the U.S. Department of Housing and Urban Development (HUD) and the Housing Authority of the County of Santa Clara (Agency), HUD will provide the Agency with operating subsidy, capital funds, and Housing Choice Voucher Program assistance as described below.

A. Operating Subsidy

1. The calculation of operating subsidy will continue in accordance with applicable operating subsidy formula law and regulations.
2. For operating funds provided in years prior to the execution of the MTW Agreement, the Agency may use any accumulated operating reserves for eligible MTW purposes, subject to applicable provisions of the MTW Agreement.
3. All funds programmed for MTW purposes will be recorded and drawn from MTW designated line items on relevant HUD forms.

B. Capital Funds Program

1. The Agency's formula characteristics and grant amounts will continue to be calculated in accordance with applicable law and regulations.
2. For capital funds provided in years prior to the execution of the MTW Agreement, the Agency may submit, and HUD will, as permitted by law, approve, a request to reprogram, by grant year, any unobligated funds for eligible MTW purposes. Such requests will be made in accordance with current procedures governing amendments to the Annual Plan, except that no public consultation will be necessary prior to submission of the request.
3. All funds programmed for MTW purposes will be recorded and drawn from MTW designated line items on relevant HUD forms.

C. Housing Choice Voucher Program (HCVP) Subsidy

1. For purposes of the Housing Choice Voucher Program (HCVP) funding, the Initial Year is calendar year 2008 (January 1, 2008 through December 31, 2008).
2. For purposes of the Housing Choice Voucher program funding, the base period for calculating initial funding is federal fiscal year 2007 (October 1, 2006 through September 30, 2007).
3. Initial year (CY 2008) HCVP housing assistance payments (HAP) subsidy will be based on the greater of actual HAP expenses incurred by the Agency as reported in the Voucher

Management System (VMS) in the base period (FFY 2007) or what the Agency received in calendar year 2007. Initial year administrative fees will be based on what the Agency received in calendar year 2007.

4. Funding eligibility for the HCVP HAP in the Initial Year of this agreement will be equal to the amounts determined under the preceding paragraph, adjusted for new units not fully represented in those amounts, and adjusted by the Annual Adjustment Factor (AAF) and by the applicable proration factor. The Administrative Fee funding will be adjusted for new units and by the applicable proration factor. For subsequent years, the HAP subsidy will be equal to the previous year's HAP subsidy eligibility adjusted by the current year's AAF and applicable proration factor percentage. Similarly, the Administrative Fee funding for subsequent years will be equal to the previous year's Administrative Fee eligibility adjusted by the applicable proration factor. Funding eligibility in any year is subject to the requirements of the applicable Appropriations Act as it applies to MTW Agency.

5. If the Agency receives incremental HCVP funding, the Agency must decide to either apply the incremental funding to their MTW block grant or to keep the incremental funding separate, as provided by law. In some cases, incremental funding may not be eligible for inclusion in the block grant as may be dictated by law.

6. All HCVP funding provided by HUD and not restricted under item 5, above, or otherwise prohibited by law in the Initial Year and subsequent years under this agreement may be eligible for inclusion in the MTW flexible block grant.

7. The Agency will be eligible to receive Family Self Sufficiency coordinator funding in accordance with available appropriations and requirements.

8. There will be no year-end settlement of annual funds provided for the MTW HCVP subsidy. All funds provided through this calculation will remain available for authorized purposes.

9. Any sum held by the Agency in the Net Restricted Assets account resulting from HAP funding that exceeded HAP expenses for the period of January 1, 2005 through December 31, 2007, shall remain available and may be used for authorized purposes, subject to applicable provisions of the MTW Agreement and future appropriations statutes. Any sum held by the Agency as excess administrative funds (Net Unrestricted Assets) shall remain available and may be used for authorized purposes subject to applicable provisions of the MTW Agreement and future appropriations statutes.

10. Funding for five-year mainstream vouchers, one-year mainstream vouchers and moderate rehabilitation vouchers, whether new allocations or renewals of existing vouchers, shall not be included in the MTW Block Grant.

11. The Agency will receive administrative fees to administer any incremental vouchers received, including Family Self Sufficiency funding, in accordance with laws and regulations in effect. Such fees will be calculated assuming all vouchers are in use.

12. The Agency's MTW funding for tenant based voucher assistance shall be based solely on dollars and not units.

Attachment B

TO
MOVING TO WORK AGREEMENT
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
AGENCY

Elements for the Annual MTW Plan and Annual MTW Report

All MTW Agencies will provide the following required elements in their Annual MTW Plans and Reports, consistent with the requirements of Section VII of the Agreement, and will follow the following order and format.

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
I. Introduction	
A. Table of Contents, which includes all the required elements of the Annual MTW Plan; and	A. Table of Contents, which includes all the required elements of the Annual MTW Report; and
B. Overview of the Agency's MTW goals and objectives for the year, including new and ongoing MTW activities.	B. Overview of the Agency's ongoing MTW goals and objectives.

II. General Housing Authority Operating Information

Please provide the following:

A. Housing Stock Information

- Number of public housing units planned;
- General description of any planned significant capital expenditures by development;
- Description of any new public housing units to be added during the year by development (specifying bedroom size);
- Number of units to be removed from the inventory during the year by development specifying the justification for the removal;
- Number of Housing Choice Vouchers (HCV) units authorized;
- Number of HCV units to be project-based, including description of each separate project;
- General description of other housing planned to be managed by the Agency, specifying location, number of units, and type of non-public housing/non-HCV assistance (to include tax credit, state funded, project based Section 8, and market rate); and
- Description of other properties owned or managed by the Agency.

B. Lease Up Information

- Anticipated number of public housing units planned to be leased;
- Anticipated number of HCV planned to be leased; and
- Description of anticipated issues relating to any potential difficulties in leasing units (HCV or public housing).

C. Waiting List Information

- Description of anticipated changes in waiting lists (site-based, community-wide, HCV, merged);
- Description of anticipated changes in the number of families on the waiting list(s) and/or opening and closing of the waiting list(s); and
- Date the waiting list was last purged.

Please provide the following:

A. Housing Stock Information

- Number of public housing units;
- Number of Housing Choice Vouchers utilized;
- General description of number and type of other housing managed by the Agency, specifying location, number of units and type of non-public housing/non-HCV assistance (to include tax credit, state funded, project based Section 8, and market rate); and
- Description of other properties owned or managed by the Agency.

B. Lease Up Information

- Number of public housing units leased;
- Number of HCV under lease; and
- Description of issues relating to any difficulties in leasing units (HCV or public housing).

C. Waiting List Information

- Description of waiting lists (site-based, community-wide, HCV, merged) and any changes that were made in the past fiscal year;
- Number of families on the waiting list(s), both at the beginning of the fiscal year and at the end of the fiscal year, and if the list(s) are open or closed; and
- Date the waiting list was last purged.

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
III. Long-term MTW Plan	
Describe the Agency's long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.	Describe the Agency's long-term vision for the direction of its MTW program, extending through the duration of the MTW Agreement.
IV. Proposed MTW Activities: HUD approval requested (provide the listed items below grouped by each MTW activity)	
<p>A. Describe each proposed MTW activity;</p> <p>B. Describe how each proposed activity relates to at least one of the three statutory objectives;</p> <p>C. Identify and discuss the anticipated impact of each proposed MTW activity on the stated objective;</p> <p>D. Describe the baselines and proposed benchmarks and metrics that the Agency will use to measure the performance and progress of the MTW activities;</p> <p>E. Describe the data collection process and the proposed metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives;</p> <p>F. Cite the authorization(s) detailed in Attachment C or D of this Agreement that give the Agency the flexibility to conduct the activity, and include the specific citation(s) of the Act or regulation as identified in Attachment C or D of this Agreement that authorize the Agency to make the change; and</p> <p>G. Describe the hardship policy (for rent reform initiatives only).</p>	<p>(All proposed activities that are granted approval by HUD will be reported on in Section V as "ongoing activities.")</p>

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
V. Ongoing MTW Activities: HUD approval previously granted (provide the listed items below grouped by each MTW activity)	
<p>A. Describe each ongoing MTW activity applicable for the coming year;</p> <p>B. Describe how each ongoing activity relates to at least one of the three statutory objectives;</p> <p>C. Identify and discuss the anticipated impact of each ongoing MTW activity on the stated objective, if in the first year of completing this revised Plan; or any anticipated changes in the impact (as applicable), if in subsequent years;</p> <p>D. Describe the baselines and benchmarks that the Agency will use to measure the performance and progress of the MTW activities, if in the first year of completing this revised Plan; or any changes in benchmarks (as applicable), if in subsequent years;</p> <p>E. Describe the data collection process and metrics the Agency will use to measure how this activity will achieve one or more of the MTW statutory objectives, if in the first year of completing this revised Plan; or any changes in data collection (as applicable), if in subsequent years;</p> <p>F. Cite the authorization(s) detailed in Attachment C or D of this Agreement that give the Agency the flexibility to conduct the activity, and include the specific citation(s) of the Act or regulation as identified in Attachment C or D of this Agreement that authorize the Agency to make the change; and</p> <p>G. Describe the hardship policy (for rent reform initiatives only).</p>	<p>A. Describe any activities that were proposed in the Plan, approved by HUD, but not implemented, and discuss why these were not pursued;</p> <p>B. Describe each ongoing and completed (within the FY) MTW activity;</p> <p>C. Describe how each ongoing activity relates to at least one of the three statutory objectives;</p> <p>D. Analyze the actual impact of each ongoing MTW activity on the stated objective;</p> <p>E. Evaluate the actual performance versus the target benchmark goals, the originally established baseline, and the previous year's performance;</p> <p>F. If benchmarks were not achieved or if the activity was determined ineffective provide a narrative explanation of the challenges, and, if possible, identify potential new strategies that might be more effective;</p> <p>G. Using the metrics proposed in the Plan, evaluate the effectiveness of the activity in achieving the statutory objectives it relates to; and</p> <p>H. Cite the specific provision(s) of the Act or regulation that is waived under MTW (as detailed in Attachment C or D of this Agreement) that authorized the Agency to make the change, and briefly describe if and how the waived section of the Act or regulation was necessary to achieve the benchmark.</p>

<u>Annual MTW Plan</u>	<u>Annual MTW Report</u>
VI. Sources and Uses of Funding	
<p>A. Provide Consolidated Budget Statement in the same format and level of detail as the unaudited financial statement;</p> <p>B. Planned sources and expenditures by development;</p> <p>C. Description of changes in sources and uses of MTW funding from previously-approved plan; and</p> <p>D. Description of how funding fungibility is planned to be used, if applicable.</p>	<p>A. Unaudited Financial Statement;</p> <p>B. Planned vs. actual financial information by development with a narrative discussion and explanation of the differences;</p> <p>C. Planned vs. actual for all capital activities presented in the Annual MTW Plan with a narrative discussion and explanation of differences;</p> <p>D. Explanation of how funding fungibility was used and narrative explanation of the difference, if applicable.</p>
VII. Administrative	
<p>The Agency will provide the following:</p> <p>A. Board Resolution adopting 50077-MTW, or equivalent form;</p> <p>B. Documentation that at least one public hearing was held, that the Plan was available for public comment for at least thirty (30) days, and documentation that the Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;</p> <p>C. Description of any planned or ongoing Agency-directed evaluations of the demonstration, if applicable;</p>	<p>The Agency will provide the following:</p> <p>A. Results of latest Agency-directed evaluations of the demonstration, as applicable;</p> <p>B. Performance and Evaluation Report for Capital Fund activities not included in the MTW Block Grant, as an attachment to the Report; and</p> <p>C. Description of progress on the correction or elimination of observed deficiencies cited in monitoring visits, physical inspections, submissions to REAC, or other oversight and monitoring mechanisms, if applicable.</p>

VIII. Reporting Compliance with Statutory MTW Requirements**Annual
MTW
Plan**

If the Agency has been out of compliance with any of the required statutory MTW requirements listed in Section II(C) of the Agreement, as determined by HUD in its review of the previous fiscal year's Annual MTW Report, the Agency will provide a narrative discussion and a plan as to how it will return to compliance. If the Agency is currently in compliance, no discussion or reporting is necessary in this section.

**Annual
MTW
Report**

The Agency will provide the following:

A. In order to demonstrate that the statutory objective of "assuring that at least 75 percent of the families assisted by the Agency are very low-income families" is being achieved, the Agency will provide information in the following format:

Initial Incomes of Families Assisted by MTW

Fiscal Year:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total number of newly admitted families assisted ¹											
Number of families with incomes below 50% of area median											
Percentage of families with incomes below 50% of area median											

¹ "Total number of newly admitted families assisted" is defined as all families that have been admitted to federal housing assistance during the fiscal year in question. Therefore, this does not mean that all families assisted by the housing authority will be captured in this figure. Instead, the figure only captures the initial admittees' income, just as they begin to receive housing assistance.

VIII. Reporting Compliance with Statutory MTW Requirements, Continued**Annual
MTW
Report,
cont.**

B. In order to demonstrate that the statutory objective of “continuing to assist substantially the same total number of eligible low-income families as would have been served had the amounts not been combined” is being achieved, the Agency will provide information in the following formats:

Baseline for the Number of Eligible Low-Income Families to Be Served

	Number of families served when Agency entered MTW	Non-MTW adjustments to the number of families served²	Baseline number of families to be served	Explanations for adjustments to the number of families served
Number of public housing families served				
Number of tenant-based Section 8 families served				
Total number of families served				

Number of Low-Income Families Served

Baseline number of families to be served (total number of families)³	
Total number of families Served this Fiscal Year⁴	
Numerical Difference⁵	
Percentage Difference	

Justification for variations in excess of 10% below the baseline number of families to be served (total number of families):

--

² “Non-MTW adjustments to the number of families served” are defined as factors that are outside the control of the Agency. Acceptable “non-MTW adjustments” include, but are not limited to, influences of the economy and of the housing market. If the Agency includes non-MTW adjustments, HUD expects the explanations of the factors to be thorough and to include information substantiating the numbers used.

³ This number will be the same number in the chart above, at the cross-section of “total number of families served” and “baseline number of families served.”

⁴ The methodology used to obtain this figure will be the same methodology used to determine the “Number of families served when Agency entered MTW” in the table immediately above.

⁵ The Numerical Difference is considered “MTW adjustments to the number of families served.” This number will reflect adjustments to the number of families served that are directly due to decisions the Agency has made. HUD expects that in the course of the demonstration, Agencies will make decisions that may alter the number of families served.

VIII. Reporting Compliance with Statutory MTW Requirements, Continued**Annual
MTW
Report,
cont.**

C. In order to demonstrate that the statutory objective of “maintaining a comparable mix of families (by family size) are served, as would have been provided had the amounts not been used under the demonstration” is being achieved, the Agency will provide information in the following formats:

Baseline for the Mix of Family Sizes to Be Served

Family Size	Occupied number of Public Housing units by family size when Agency entered MTW	Utilized number of Section 8 vouchers by family size when Agency entered MTW	Non-MTW adjustments to the distribution of family sizes ⁶	Baseline number of family sizes to be maintained	Baseline percentages of family sizes to be maintained
1 person					
2 people					
3 people					
4 people					
5 people					
6+ people					
Totals					100%

Explanations for
Baseline adjustments
to the distribution of
family sizes utilized

Mix of Family Sizes Served

	1 person	2 people	3 people	4 people	5 people	6+ people	Total
Baseline percentages of family sizes to be maintained ⁷							100%
Number of families served by family size this Fiscal Year ⁸							
Percentages of families served by family size this Fiscal Year ⁹							100%
Percentage Difference							

Justification and explanation for family size variations of over 5% from the Baseline percentages:

⁶ “Non-MTW adjustments to the distribution of family sizes” are defined as factors that are outside the control of the Agency. Acceptable “non-MTW adjustments” include, but are not limited to, demographic changes in the community’s population. If the Agency includes non-MTW adjustments, HUD expects the explanations of the factors to be thorough and to include information substantiating the numbers used.

⁷ These numbers in this row will be the same numbers in the chart above listed under the column “Baseline percentages of family sizes to be maintained.”

⁸ The methodology used to obtain these figures will be the same methodology used to determine the “Occupied number of Public Housing units by family size when Agency entered MTW” and “Utilized number of Section 8 Vouchers by family size when Agency entered MTW” in the table immediately above.

⁹ The “Percentages of families served by family size this fiscal year” will reflect adjustments to the mix of families served that are directly due to decisions the Agency has made. HUD expects that in the course of the demonstration, Agencies will make decisions that may alter the number of families served.

ATTACHMENT C
STATEMENT OF AUTHORIZATIONS
TO
MOVING TO WORK AGREEMENT
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
AGENCY

A. General Conditions

1. This Statement of Authorizations describes the activities that the Public Housing Authority (Agency) may carry out under the Moving to Work (MTW) Demonstration program, subject to the terms and conditions of the Moving to Work Demonstration Agreement (Agreement) between the Agency and the U.S. Department of Housing and Urban Development (HUD).
2. Unless otherwise provided in Attachment D of the Agreement, the Agency's MTW Demonstration Program applies to all of the Agency's public housing assisted units (including Agency-owned properties and units comprising a part of mixed-income, mixed finance communities) tenant-based Section 8 voucher assistance (hereinafter referred to as the "Housing Choice Voucher Program"), Section 8 project-based voucher assistance under Section 8(o) and Homeownership units developed using Section 8(y) voucher assistance.
3. The purpose of the Statement of Authorizations is to delegate to the Agency the authority to pursue locally driven policies, procedures and programs with the aim of developing better, more efficient ways to provide housing assistance and incentives to self-sufficiency to low, very-low, and extremely low-income families. The authorizations listed in this Attachment C are granted fully without requiring any additional HUD authorizations, as necessary to implement the activities described in the Annual MTW Plan. The Agency may proceed with activities based upon these authorizations once the activity has been included in the Annual MTW Plan, in accordance with Attachment B, and HUD has approved the Plan and activities. HUD will review and approve these documents to ensure that the Annual MTW Plan has provided meaningful citizen participation, taking into account comments from a public hearing and any other comments on the proposed program, as well as providing for, receiving, and meaningfully considering comments from current and prospective residents who would be affected. HUD will also review in order to ascertain that these activities are within the MTW authorizations provided by HUD.
4. The Agency reaffirms that it will comply with all applicable nondiscrimination and equal opportunity requirements set forth in 24 CFR 5.105(a), and will administer its programs and activities in a manner affirmatively to further fair housing. In particular, the Agency

must make reasonable modifications and accommodations needed by applicants and residents and must make units accessible in accordance with the Needs Assessment and Transition Plan as required under Section 504 of the Rehabilitation Act of 1973 and its implementing regulations.

B. Authorizations Related to Both Public Housing and Section 8 Housing Choice Vouchers

1. Single Fund Budget with Full Flexibility

This authorization waives certain provisions of Sections 8 and 9 of the 1937 Act and 24 C.F.R. 982, and 990 as necessary to implement the Agency's Annual MTW Plan.

- a. The Agency may combine funding awarded to it annually pursuant to Section 8(o), 9(d) and 9(e) of the 1937 Act into a single, authority-wide funding source ("MTW Funds"). However, section 9(d) funds are still subject to the obligation and expenditure deadlines and requirements provided in section 9(j) despite the fact that they are combined in a single fund. The funding amount for the MTW Funds may be increased by additional allocations of housing choice vouchers to which the Agency is entitled over the term of the Agreement. Special purpose vouchers will not be included in the MTW Funds during their initial term, though some may be included in the MTW Funds upon renewal.
- b. The Agency may use MTW Funds for any eligible activity under Sections 9(d)(1), 9(e)(1) and Section 8(o) of the 1937 Act. Within the scope of the permissible eligible activities, the Agency can carry out the purposes of the MTW Demonstration Program to provide flexibility in the design and administration of housing assistance to eligible families, to reduce cost and achieve greater cost effectiveness in Federal expenditures, to give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient, and to increase housing choices for low-income families, through activities that would otherwise be eligible under sections 8 and 9 of the 1937 Act, including, but not limited to, the following activities:
 - i. Provision of Capital funds or operating assistance to housing previously developed or operated pursuant to a contract between HUD and the Agency or newly acquired or developed pursuant to section ii below.
 - ii. The acquisition, new construction, reconstruction or moderate or substantial rehabilitation of housing (including, but not limited to, assisted living, or other housing as deemed appropriate by the Agency, in accordance with its mission), or commercial facilities consistent with the objectives of the demonstration. Such activities may include but are not limited to real property acquisition, site improvement, development of utilities and utility services and energy efficiency systems, conversion, demolition, financing, administration and planning costs, relocation and other related activities; provided, however, that prior HUD

approval is required for the development of any incremental public housing units, pursuant to Section 9(g)(3) of the 1937 Act.

- iii. The provision of housing or employment-related services or other case management activities, such as housing counseling in connection with rental or homeownership assistance, energy auditing, activities related to the provision of self-sufficiency and other services, employment counseling, education, training and other services related to assisting tenants, owners, contractors, and other persons or entities participating or seeking to participate in other housing or training and educational activities assisted pursuant to this section.
 - iv. The provision of management services, including preparation of work specifications, loan processing, inspections, tenant selection, management of tenant and project-based rental assistance and management of housing projects or other facilities or operations developed under this program.
 - v. The provision of safety, security, and law enforcement measures and activities appropriate to protect residents of housing from crime.
 - vi. The provision of Housing Choice Voucher assistance or project-based rental assistance (under Section 8(o)), alone or in conjunction with other private or public sources of assistance.
 - vii. The preservation of public housing and/or Housing Choice Voucher units currently serving people of low income or the acquisition and/or development of new units for people of low income, provided that all rehabilitation and construction is done in accordance with the requirements of Section 504 of the Rehabilitation Act and where applicable, the design and construction requirements of the Fair Housing Act.
 - viii. If the Agency chooses to establish single fund flexibility, the Agency is authorized to use housing assistance payments for purposes other than payments to owners, so long as these purposes are consistent with other eligible uses of section 8 and section 9 funds.
- c. These activities may be carried out by the Agency, by an entity, agent, or instrumentality of the Agency, a partnership, a grantee, contractor, or other appropriate party or legal entity.
 - d. The Agency's expenditures must comply with OMB Circular A-87, which provides basic guidelines for the use of federal funds, and with this MTW Agreement.
 - e. The Agency may use capital funds (including development and replacement housing factor funds) in accordance with this Agreement.

2. Partnerships with For-Profit and Non-Profit Entities

The Agency may partner with for-profit and non-profit entities, subject to 24 C.F.R. Part 85 and 941.602(d), including, mixed-income, mixed-finance development partners and third party management companies, as well as affiliates and instrumentalities of the Agency ("Agency Partners"), to implement and develop all or some of the initiatives that may comprise the Agency's MTW Demonstration Program. The Agency may, with respect to MTW eligible activity and when working with or partnering with such partners, make available to Agency Partners the least restrictive regulatory requirements allowable based on Agency's participation in the MTW Demonstration Program and that agreements with Agency Partners may reflect the implementation of less restrictive regulatory requirements. *This authorization waives certain provisions of Sections 13 and 35 of the 1937 Act and 24 C.F.R. 941 Subpart F as necessary to implement the Agency's Annual MTW Plan.*

3. Definition of Elderly Family

The Agency is authorized to amend the definition of elderly to include families with a head of household or family member who is at least 55 years old, and must be in compliance with the all Fair Housing Requirements, in particular the Housing for Older Persons Act of 1995. *This authorization waives certain provisions of Section 3 (b)(3) and (G) of the 1937 Act and 24 C.F.R. 5.403 as necessary to implement the Agency's Annual MTW Plan.*

4. Transitional/Conditional Housing Program

The Agency may develop and adopt new short-term transitional housing programs, consistent with an eligible use of section 8 and 9 funds, with supportive services in one or more buildings in collaboration with local community-based organizations and government agencies. Successful participants in these programs will be eligible for transfer to the Agency's public housing or housing choice voucher programs. The Agency will ensure that these programs do not have a disparate impact on protected classes, and will be operated in a manner that is consistent with the requirements of Section 504 of the Rehabilitation Act. More specifically, under no circumstances will residents of such programs be required to participate in supportive services that are targeted at persons with disabilities in general, or persons with any specific disability. In addition, admission to any of the programs developed under this section will not be conditioned on the presence of a disability or a particular disability. This section is not intended to govern the designation of housing that is subject to Section 7 of the 1937 Act. *This authorization waives certain provisions of Sections 3, 4, 5, 8, and 9 of the 1937 Act and 24 C.F.R. 941, and 960 Subpart B as necessary to implement the Agency's Annual MTW Plan.*

5. Investment Policies

Subject to HUD approval, the Agency is authorized to adopt investment policies consistent with state law to the extent such policies are in compliance with applicable OMB circulars and other federal laws. The Agency shall invest only in securities authorized under state law that will allow the flexibility to invest productively and efficiently. *This authorization waives certain provisions of Section 6(c)(4) of the 1937 Act and 24 C.F.R. 982.156 as necessary to implement the Agency's Annual MTW Plan.*

C. Authorizations Related to Public Housing Only

1. Site Based or Geographic Area Waiting List System

The Agency is authorized to implement a locally designed waiting list system in lieu of the specific procedural requirements of 24 C.F.R. Part 903 provided that it provides applicants with a reasonable choice of location in accordance with title VI of the Civil Rights Act, the Fair Housing Act, and other applicable civil rights requirements. The Agency may implement additional site-based waiting lists under this MTW Agreement. Such additional site-based waiting lists will be developed, at the Agency's option, to address various situations, including, but not limited to the following: (1) any existing or new or mixed-income, mixed finance communities; (2) any on-site and/or off-site public housing replacement units developed in support of the Agency's redevelopment or HOPE VI efforts, if any; (3) any specially designated public housing or project-based communities; and (4) combining or separating waiting lists for Section 8 tenant-based or project-based assistance, public housing rental communities, homeownership opportunities, and mixed-income, mixed-finance communities. *This authorization waives certain provisions of Section 6(r) of the 1937 Act and 24 C.F.R. 903.7 as necessary to implement the Agency's Annual MTW Plan.*

2. Local Preferences and Admission and Continued Occupancy Policies and Procedures

The Agency is authorized to develop and adopt local preferences and admission policies and procedures for admission into the public housing program in lieu of HUD statutes, regulations or other requirements based in the 1937 Act so long as the families assisted qualify as low income, and that the total mix of families assisted meets the requirements of part I.C of the MTW Agreement. The Agency is required to revise the Admissions and Continued Occupancy Policy (ACOP), to implement changes in public housing occupancy policy as a result of the MTW program. Regardless of changes to the Agency's adopted ACOP policies and procedures, the Agency must comply with Sections I(B)(1) and II(D) of this Agreement. The Agency is subject to state and local preferences law. *This authorization waives certain provisions of Section 3 of the 1937 Act and 24 C.F.R. 960.206 as necessary to implement the Agency's Annual MTW Plan.*

3. Deconcentration Policy

The Agency is authorized to develop and adopt a local policy designed to provide for deconcentration and income mixing in public housing communities. *This authorization waives certain provisions of Section 16(3)(B) of the 1937 Act and 24 C.F.R. 903.2 as necessary to implement the Agency's Annual MTW Plan.*

4. Initial, Annual and Interim Income Review Process

The Agency is authorized to restructure the initial, annual and interim review process in the public housing program in order to affect the frequency of the reviews and the methods and process used to establish the integrity of the income information provided. In addition, the Agency is expressly authorized to adopt a local system of income verification in lieu of the current HUD system. For example, the Agency may implement alternate time frames for validity of verification or adopt policies for verification of income and assets through sources other than those currently allowed under the 1937 Act. *This authorization waives certain provisions of sections 3(a)(1) and 3(a)(2) of the 1937*

Act and 24 C.F.R. 966.4 and 960.257, as necessary to implement the Agency's Annual MTW Plan.

5. Use of Public Housing as an Incentive for Economic Progress

The Agency is authorized to modify current public housing occupancy policies to use housing as an incentive for making economic progress, as long as Section II.C. of the MTW Agreement is adhered to. Such modifications may include revising maximum income limits for admission or continued occupancy. Families denied admission or continued occupancy shall continue to be entitled to the right to an informal hearing. *This authorization waives certain provisions of Section 6(c) of the 1937 Act and 24 C.F.R. 960.201, as necessary to implement the Agency's Annual MTW Plan.*

6. Incentives for Underutilized Developments

The Agency is authorized to develop and offer incentives that will attract applicants to developments, or portions thereof, which have been difficult to market. *This authorization waives certain provisions of Section 3(a)(2) and 3(a)(3)(A) of the 1937 Act and 24 C.F.R. 960 subpart B as necessary to implement the Agency's Annual MTW Plan.*

7. Simplification of the Development and Redevelopment Process for Public Housing

This authorization waives certain provisions of Sections 4, 5, 9, 24, 32 and 35 of the 1937 Act and 24 C.F.R. 941 as necessary to implement the Agency's Annual MTW Plan.

- a. The Agency may, at its own discretion, allow any authorizations and regulatory relief granted to the Agency pursuant to this MTW Agreement to inure to the benefit of the Agency's Partners with respect to MTW eligible activities, and HUD hereby agrees to the amendment of any and all evidentiaries necessary to implement the least restrictive regulatory requirements allowable.
- b. The Agency is authorized to establish reasonable low-income homeownership programs, such as a lease-to-own program, that are not limited by the existing public housing homeownership requirements, provided that units can only be sold to current public housing residents and that any disposition of current public housing units must be approved in advance by HUD. Any disposition application will be submitted and processed in accordance with this Agreement.

8. Streamlined Demolition and Disposition Procedures

The Agency may choose to follow HUD's "Streamlined Processing Instructions for Disposition, Demolition, and Disposition/Demolition Applications from MTW Agencies."

9. Simplification of Property Management Practices

The Agency is authorized to simplify property management practices as follows:

- a. The Agency is authorized to deploy a risk management approach in establishing property and system inspection protocols and frequencies in lieu of the HUD requirements of annual inspections by Agencies, as long as these protocols assure that housing units assisted under the demonstration meet housing quality standards approved or established by the Secretary. *This authorization waives certain provisions of Section 6 (f) of the 1937 Act and 24 C.F.R. 902-Subpart B as necessary to implement the Agency's Annual MTW Plan.*

- b. The Agency is authorized to develop and adopt a new form of local lease and establish community rules, grievance procedures, tenant self-sufficiency requirements and reasonable tenant fees based on proven private management models (subject to State and local laws), provided that no-cause evictions are not permitted. *This authorization waives certain provisions of Section 6 (l) of the 1937 Act and 24 C.F.R. 966 Subparts A and B as necessary to implement the Agency's Annual MTW Plan.*

10. Special Admissions and Occupancy Policies for Certain Public Housing Communities

The Agency is authorized to involve a broad spectrum of community stakeholders, including advocacy groups, in a process to explore and adopt reasonable restrictions for occupancy of specific public housing buildings in the Agency's inventory. Buildings, or portions of buildings (floors, units), may be designated as Smoke-Free, Pet-Free or Assisted Living (or other similar reservations). The Agency may establish admissions preferences in order to establish these special occupancy requirements. A key goal of this initiative will be to ensure that the Agency is able to maintain and improve the quality of life in the Agency communities. These reservations or policies must not have a disparate impact on protected classes and must be operated in a manner that is consistent with the requirements of Section 504 of the Rehabilitation Act. Any such designations or policies will include adequate safeguards for the disabled, including protections for disabled persons who are Agency residents and those seeking housing assistance. Residents can voluntarily participate in any of the services provided. Once adopted, the designations or policies will be updated and reviewed as part of the Annual MTW Plan and Report submitted by the Agency for HUD's review. In particular, the Agency will review the demographic make-up of its current resident population and applicants to assess the need for and support any changes to its designations or policies. *This authorization waives certain provisions of Sections 3, 6, 7, 16, and 31 of the 1937 Act and 24 C.F.R. 945 subpart C, 960 Subparts B, D, E and G as necessary to implement the Agency's Annual MTW Plan.*

11. Rent Policies and Term Limits

The Agency is authorized to determine family payment, including the total tenant payment, the minimum rent, utility reimbursements and tenant rent. The Agency is authorized to adopt and implement any reasonable policies for setting rents in public housing including but not limited to establishing definitions of income and adjusted income, or earned income disallowance that differ from those in current statutes or regulations. The Agency is authorized to adopt and implement term limits for its public housing assistance. Such policies must include provisions for addressing hardship cases. *This authorization waives certain provisions of Section 3(a)(2), 3(a)(3)(A) and Section 6(l) of the 1937 Act and 24 C.F.R. 5.603, 5.611, 5.628, 5.630, 5.632, 5.634 and 960.255 and 966 Subpart A as necessary to implement the Agency's Annual MTW Plan.*

12. Design Guidelines

The Agency is authorized to establish reasonable and modest design guidelines, unit size guidelines and unit amenity guidelines for development and redevelopment activities that will replace HUD guidelines with guidelines that reflect local marketplace conditions for quality construction in its locality so long as all units meet housing quality standards approved by the Secretary. *This authorization waives certain provisions of Sections 4, 5, and 9 of the 1937 Act and 24 C.F.R. 941.202, 941.203, 941.401, and 941.403 as*

necessary to implement the Agency's Annual MTW Plan.

13. Site Acquisition

The agency is authorized to acquire sites without prior HUD approval, provided that the agency certifies that HUD site selection requirements have been met. *This authorization waives certain provisions of 24 C.F.R. 941.401 as necessary to implement the Agency's Annual MTW Plan.*

14. Commercial Business Venture

The Agency is authorized to enter into commercial business ventures as part of its neighborhood revitalization or affordable housing strategies or other strategies designed to serve as catalysts for revitalization of public housing or surrounding communities. Any venture must be consistent with eligible uses of funds under Sections 8 and 9 of the 1937 Act. *This authorization waives certain provisions of 24 C.F.R. 941 subpart F as necessary to implement the Agency's Annual MTW Plan.*

15. Available Property

The Agency is authorized to make available public housing property including dwelling and non-dwelling spaces and vacant land for the purpose of providing services, programs and capital improvements that benefit residents and program participants. *This authorization waives certain provisions of Section 9 of the 1937 Act and 24 C.F.R. 990 Subpart B as necessary to implement the Agency's Annual MTW Plan.*

16. Total Development Cost (TDC) limits

The agency is authorized to establish reasonable cost formulas for development and redevelopment activities that will replace HUD's TDC limits in order to reflect local marketplace conditions for quality construction in its locality. *This authorization waives certain provisions of Section 6(b) of the 1937 Act and 24 C.F.R. 941.306 as necessary to implement the Agency's Annual MTW Plan.*

D. Authorizations Related to Section 8 Housing Choice Vouchers Only

1. Operational Policies and Procedures

The Agency is authorized to determine the following basic operational policies and procedures for all Section 8 assistance the Agency is provided under section 8(o) of the 1937 Act:

- a. The Agency is authorized to determine the term and content of Housing Assistance Payment (HAP) contracts to owners during the term of the MTW demonstration. However, any revised HAP contract must include language noting that the funding for the contract is subject to the availability of Appropriations. *This authorization waives certain provisions of Section 8(o)(7) of the 1937 Act and 24 C.F.R. 982.162 as necessary to implement the Agency's Annual MTW Plan;*
- b. The Agency is authorized to determine the length of the lease period, when vouchers expire and when vouchers will be reissued. *This authorization waives certain provisions of Sections 8(o)(7)(a), 8(o)(13)(F) and 8(o)(13)(G) of the 1937 Act and 24 C.F.R. 982.303, 982.309 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan;*

- c. The Agency is authorized to define, adopt and implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(5) of the 1937 Act and 24 C.F.R. 982.516 as necessary to implement the Agency's Annual MTW Plan;*
- d. The Agency is authorized to determine a damage claim and/or vacancy loss policy and payment policy for occupied units that differs from the policy requirements currently mandated in the 1937 Act and its implementing regulations. Damage and vacancy authority are subject to state and local laws. *This authorization waives certain provisions of Section 8(o)(9), of the 1937 Act and 24 C.F.R. 982.311 as necessary to implement the Agency's Annual MTW Plan;*
- e. The Agency is authorized to determine the percentage of housing voucher assistance that it is permitted to project-base, and criteria for expending funds for physical improvements on those units that differs from the percentage and criteria requirements currently mandated in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(13) of the 1937 Act and 24 C.F.R. 983 as necessary to implement the Agency's Annual MTW Plan;*
- f. The Agency is authorized to determine property eligibility criteria, including types of units currently prohibited by Section 8 regulations, as well as shared living facilities. If the Agency chooses to use this authorization, it will need to provide a transition plan to both the affected residents and HUD prior to the end of the demonstration. *This authorization waives certain provisions of Section 8(p) of the 1937 Act and 24 C.F.R. 983.53-54 and 982 Subparts H and M as necessary to implement the Agency's Annual MTW Plan; and*
- g. The Agency is authorized to establish its own portability policies with other MTW and non-MTW housing authorities. *This authorization waives certain provisions of Section 8(r) of the 1937 Act and 24 C.F.R. 982 Subpart H as necessary to implement the Agency's Annual MTW Plan.*

2. Rent Policies and Term Limits

- a. The Agency is authorized to adopt and implement any reasonable policy to establish payment standards, rents or subsidy levels for tenant-based assistance that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. The Agency is authorized to adopt and implement any reasonable policies to calculate the tenant portion of the rent that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(1), 8(o)(2), 8(o)(3), 8(o)(10) and 8(o)(13)(H)-(I) of the 1937 Act and 24 C.F.R. 982.508, 982.503 and 982.518, as necessary to implement the Agency's Annual MTW Plan;*

- b. The Agency is authorized to determine contract rents and increases and to determine the content of contract rental agreements that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(7) and 8(o)(13) of the 1937 Act and 24 C.F.R. 982.308, 982.451 and 983 Subpart E as necessary to implement the Agency's Annual MTW Plan;*
- c. The Agency is authorized to develop a local process to determine rent reasonableness that differs from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(10) of the 1937 Act and 24 C.F.R. 982.507 as necessary to implement the Agency's Annual MTW Plan; and*
- d. The Agency is authorized to implement term limits for HCV units designated as part of the MTW demonstration. *This authorization waives certain provisions of Sections 8(o)(7) and 8(o)(13)(F)-(G) of the 1937 Act and 24 C.F.R. 982 Subpart L and 983 Subpart E as necessary to implement the Agency's Annual MTW Plan.*

3. Eligibility of Participants

- a. The Agency is authorized to determine income qualifications for participation in the rental assistance program that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations, as long as the requirements that i) at least 75 percent of those assisted under the demonstration are "very low-income" as defined in section 3(b)(2) of the 1937 Act, ii) substantially the same number of low-income persons are assisted under the demonstration as would be without the MTW authorizations contained herein, and iii) a comparable mix of families are assisted under the Agreement as would have been otherwise in Section I.C. of the MTW Agreement are met. *This authorization waives certain provisions of Sections 16(b) and 8(o)(4) of the 1937 Act and 24 C.F.R. 5.603, 5.609, 5.611, 5.628, and 982.201 as necessary to implement the Agency's Annual MTW Plan; and*
- b. The Agency is authorized to adopt and implement any reasonable policy for verifying family income and composition and for determining resident eligibility that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of 24 C.F.R. 982.516 and 982 Subpart E, as necessary to implement the Agency's Annual MTW Plan.*

4. Waiting List Policies

The Agency is authorized to determine waiting list procedures, tenant selection procedures and criteria and preferences, including authorizing vouchers for relocation of witnesses and victims of crime that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act*

and 24 C.F.R. 982 Subpart E, 982.305 and 983 Subpart F as necessary to implement the Agency's Annual MTW Plan.

5. Ability to Certify Housing Quality Standards

The Agency is authorized to certify that housing assisted under MTW will meet housing quality standards established or approved by HUD. The certification form will be approved or provided by HUD. *This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982, Subpart I as necessary to implement the Agency's Annual MTW Plan.*

6. Local Process to Determine Eligibility

The Agency is authorized to adopt a local process for determining whether units meet certain eligibility requirements, provided such requirements are part of the 1937 Act. *This authorization waives certain provisions of Section 8(o)(13) of the 1937 Act and 24 C.F.R. 983 Subpart D as necessary to implement the Agency's Annual MTW Plan.* This includes, but is not limited to, the following:

- a. The minimum expenditure requirement and the timing of rehabilitation and construction of units.
- b. The type of funds that may be used to rehabilitate or construct units.
- c. Procedures to determine whether or not units meet the Agency's requirements regarding rehabilitation and construction, including what information is required to be submitted by owners to the Agency.

7. Establishment of an Agency MTW Section 8 Project-Based Program

The Agency is authorized to develop and adopt a reasonable policy and process for project-basing Section 8 tenant-based leased housing assistance, which includes the components set forth below:

- a. The Agency is authorized to project-base Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing, subject to HUD's requirements regarding subsidy layering. If the Agency chooses to project-base Section 8 assistance at such properties, the Agency recognizes and accepts that such units would no longer be eligible for operating subsidy provided under Section 9(e) of the 1937 Housing Act or for future capital funds provided under section 9(d) for those units if it chooses to use this authorization. Project-based assistance for such owned units does not need to be competitively bid, nor are the owned units subject to any required assessments for voluntary conversion. *This authorization waives certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 C.F.R. 982.1, 982.102 and 24 C.F.R. Part 983 as necessary to implement the Agency's Annual MTW Plan;*
- b. The Agency is authorized to establish a reasonable competitive process or utilize an existing local competitive process for project-basing leased housing assistance at units that meet existing Housing Quality Standards, or any standards developed by the Agency pursuant to this MTW Agreement and approved by the Secretary, and that are owned by non-profit, or for-profit housing entities. *This authorization waives certain provisions of 24 C.F.R. 983.51 as necessary to implement the*

Agency's Annual MTW Plan;

- c. The Agency is authorized to duly adopt, according to the requirements of local law, alternate standards for determining the location of existing, newly constructed or substantially rehabilitated housing to receive subsidy; provided, however, *that in lieu of the Site Selection Standards currently set forth in 24 C.F.R. Section 983.57*, the agency will comply with the following requirements:
 - i. The Agency will comply with the Fair Housing Act and Title VI of the Civil Rights Act of 1964, and implementing regulations thereto, in determining the location of newly constructed or acquired public housing units.
 - ii. Units may be located in the agency's jurisdiction, including within, but not limited to, the following types of urban areas: (1) an area of revitalization that has been designated as such by the governing jurisdiction, including Redevelopment Areas and Enhanced Enterprise Communities, (2) an area where public housing units were previously constructed and were demolished, (3) a racially or economically impacted area where the agency plans to preserve existing affordable housing, (4) in connection with a HOPE VI or other HUD funded master planned development, (5) in areas where a needs analysis indicates that subsidized housing represents a low percentage of the total number of housing units in the area, or (6) relocating units to an area with a lower concentration of public housing units.
 - iii. Conduct a housing needs analysis indicating that there is a real need for the housing in the area; and
 - iv. When developing or substantially rehabilitating six or more Section 8 project-based units, the agency will: (1) advise current residents of the subject properties and representative community groups in the vicinity of the subject property by letter to resident organizations and by public meeting, of the agency's revitalization plan; and (2) certify to HUD in its Annual MTW Report that the comments from Residents and representative community groups have been considered in the revitalization plan. Documentation evidencing that the agency has met the stated requirements will be maintained at the housing authority and submitted to HUD in its Annual MTW Report.
- d. All units that receive project-based Section 8 assistance must meet either (i) existing HQS standards established by the Secretary or (ii) a local standard for communities receiving project-based Section 8 assistance developed by the Agency and approved by the Secretary pursuant to this MTW Agreement, as applicable. *This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. 982 Subpart I as necessary to implement the Agency's Annual MTW Plan.*

8. Homeownership Program

- a. The Agency is authorized to establish reasonable Section 8 homeownership programs that are not limited by the existing Section 8 homeownership requirements. *This authorization waives certain provisions of Section 8(o)(15) and 8(y) of the 1937 Act and 24 C.F.R. 982.625 through 982.643 inclusive as necessary to implement the Agency's Annual MTW Plan; and*
- b. The Agency is authorized to permit current public housing residents who are on a merged waiting list to obtain a Section 8 homeownership voucher. *This authorization waives certain provisions of Sections 8(o)(15) and 8(y) of the 1937 Act and 24 C.F.R. 982.625 through 982.643 inclusive as necessary to implement the Agency's Annual MTW Plan.*

E. Authorizations Related to Family Self Sufficiency

The Agency is authorized to operate any of its existing self-sufficiency and training programs, including its Family Self-Sufficiency (FSS) Program and any successor programs exempt from certain HUD program requirements. These may include those requirements governing program size or participation, including whether to establish escrow accounts and other rent incentives and whether to establish mandatory self-sufficiency participation requirements. If the Agency receives dedicated funding for an FSS coordinator, such funds must be used to employ a self-sufficiency coordinator. In developing and operating such programs, the Agency is authorized to establish strategic relationships and partnerships with local private and public agencies and service providers to leverage expertise and funding. However, notwithstanding the above, any funds granted pursuant to a competition must be used in accordance with the NOFA and the approved application and work plan. *This authorization waives certain provisions of Section 23 of the 1937 Act and 24 C.F.R. 984 as necessary to implement the Agency's Annual MTW Plan.*

ATTACHMENT D

LEGACY AND COMMUNITY-SPECIFIC AUTHORIZATIONS **TO** **AMENDED AND RESTATED MOVING TO WORK AGREEMENT** **BETWEEN** **U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** **AND THE** **HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA**

A. Relationship between Housing Authorities

The Housing Authority of the City of San Jose (HASJ) has agreed that on HASJ's behalf the Housing Authority of the County of Santa Clara (HACSC) may submit Annual MTW Plans, Annual MTW Reports and any other MTW documents relating to HASJ's MTW Agreement, and may take any actions authorized by HASJ's MTW Agreement. The actions HACSC may take under this Agreement or HASJ's MTW Agreement may include, without limitation, use of any MTW Funds originally committed to HACSC or HASJ, for any purpose and in any manner authorized for either HACSC or HASJ under either MTW Agreement. Annual MTW Plans and Annual MTW Reports may be consolidated to cover the MTW activities of both HACSC and HASJ. Notwithstanding such consolidation, HACSC and HASJ shall continue to provide separate reports regarding program activities, including financial reports, to the extent required by HUD.

B. Approved Public Housing Disposition Application

HACSC received HUD approval on September 26, 2007, to dispose of all of its public housing. The authorizations in this Agreement with respect to public housing are applicable until disposition. Notwithstanding any other provision of this Agreement, HACSC shall continue to adhere to the terms and conditions of HUD's disposition approval, except that in addition to other authorized uses HACSC may use any net proceeds resulting from the disposition for any purpose authorized under this Agreement.

C. Type and Frequency of Inspections for Voucher Program

HACSC is authorized to deploy a risk management approach in establishing property and system inspection protocols and frequencies in lieu of the HUD requirements of annual inspections by Agencies, as long as these protocols assure that housing units assisted under the demonstration meet housing quality standards approved or established by the Secretary. *This authorization waives certain provisions of Section 8(o) of the 1937 Act and 24 C.F.R. 982 and 985 as necessary to implement the Agency's Annual MTW Plan.*

D. Reporting on Other Families Served

Notwithstanding anything to the contrary in Attachment B, HACSC will not report on or otherwise consider "Other families served" for purposes of measuring and determining

compliance with MTW requirements regarding number of eligible low-income families and mix of family sizes to be served.

FIRST AMENDMENT
TO
MOVING TO WORK AGREEMENT
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
HOUSING AUTHORITY OF THE COUNTY OF SANTA CLARA

This First 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 herein, all capitalized terms used herein shall have the same meanings ascribed to them in the Agreement.

Attachment A to the Agreement is amended as follows:

The following language is added to the end of paragraph C.4 of Attachment A to the MTW Agreement:

Commencing with calendar year 2010, administrative fee eligibility for each calendar year will be calculated in accordance with the appropriations requirements (including Continuing Resolutions where applicable) for that calendar year. This methodology will apply only to those vouchers for which administrative fees are not already included in a combined calculation of both housing assistance and administrative fees. In every year, fee eligibility will be pro-rated at the same level as applies to all other agencies. Administrative fees for vouchers added to the agency's inventory after the base period will be paid according to each year's appropriation requirements.

Attachment D is amended as follows:

Add the following language is added to Attachment D to the MTW Agreement:

Use of MTW Funds

The Agency and HUD acknowledge that Section 204(a) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Pub. L. 104-134) provides that an agency participating in the MTW demonstration program may combine public housing operating and capital funds provided under Section 9 of the U.S. Housing Act of 1937 (the "1937 Act") and voucher program funds provided under Section 8 of the 1937 Act "to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work on such terms and conditions as the agency may propose and the Secretary may approve."

The Agency and HUD further acknowledge that the terms of the agreement under which the Agency participated in the MTW demonstration program prior to the Amended and Restated

MTW Agreement (the "Original MTW Agreement") did not state that the use of such combined public housing operating and capital funds and voucher program funds (collectively, "MTW Funds") was restricted to those uses specified in Sections 8 and 9 of the 1937 Act.

The Agency and HUD hereby agree that they do not intend for the Amended and Restated MTW Agreement to limit or restrict the authority to use MTW Funds as provided by the Original MTW Agreement, that notwithstanding any language to the contrary, those provisions in this Agreement or its attachments that restrict the use of funds to Sections 8 and 9 are repealed, and the Agency may use MTW Funds to provide housing assistance for low-income families, as defined in section 3(b)(2) of the 1937 Act, and services to facilitate the transition to work, whether or not any such use is authorized by Sections 8 or 9 of the 1937 Act, provided such uses are consistent with other requirements of the MTW statute [i.e., including but not limited to the requirements to maintain a comparable mix of families and serve substantially the same number of families as would have been assisted if the Agency were not in the MTW demonstration, assuring that housing assisted under the demonstration meets housing quality standards established or approved by the Secretary, that at least 75 percent of the families assisted be very low income families, that the agency has established a reasonable rent policy that is designed to encourage employment and self-sufficiency by participating families, that the requirements of sections 12 of the 1937 Act are applied to any housing assisted under the demonstration other than housing assisted solely because of occupancy by families receiving tenant-based assistance, and that Section 18 of the 1937 Act shall continue to apply to public housing notwithstanding the use of any use of the housing under the demonstration] and have been proposed in an Agency's Annual MTW Plan and approved by HUD.

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 First 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: _____

4/23/10

04/06/2010

UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

By: 

Name: Sandra B. Henriquez

Its: Assistant Secretary

Date: 04/30/2010