COUNCIL AGENDA: 03/20/18
ITEM: SJHA 1

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: CITY HOUSING AUTHORITY BOARD OF COMMISSIONERS

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: March 13, 2018

Approved D. D Sy

Date 3/13/18

SUBJECT: SUPPORT FOR THE 2019 MOVING TO WORK (MTW) ANNUAL PLAN

REASON FOR ADDENDUM

The reason for this addendum is to allow the City Housing Authority Board of Commissioners to take action on this item prior to the March 22, 2018 meeting of the Santa Clara County Housing Authority Board of Commissioners meeting, at which time the MTW item will be reviewed and approved.

RECOMMENDATION

It is recommended that the Board of Commissioners for the Housing Authority of the City of San José (City Housing Authority) authorize the City Housing Authority's Executive Director to submit a letter to the Santa Clara County Housing Authority (SCCHA) to support the 2019 Moving to Work (MTW) Annual Plan.

OUTCOME

The 2019 MTW Annual Plan (Attachment A) will be submitted for consideration to the U.S. Department of Housing and Urban Development (HUD) by April 15, 2018. If HUD approves the 2019 MTW Annual Plan, the SCCHA will be positioned to serve a greater number of low-income residents while encouraging more families to reach self-sufficiency. The City Housing Authority's letter in support of the 2019 MTW Annual Plan will help ensure its approval by HUD.

BACKGROUND

Among other activities, the SCCHA administers and manages public housing and approximately 17,000 Housing Choice Vouchers (Section 8) on behalf of HUD to provide rental assistance programs for lower-income families, seniors, and persons with disabilities for the SCCHA. The SCCHA also administers and manages the public housing and rental voucher programs for the City Housing Authority pursuant to an assignment agreement (Agreement) with the SCCHA. Sixty percent (60%) of the vouchers managed by SCCHA are allocated by HUD to SCCHA under its own name; forty percent (40%) of the vouchers managed by SCCHA are allocated by HUD to the City Housing Authority's name (City Program).

Included in the Agreement between the City Housing Authority and the SCCHA is a requirement that the SCCHA consult with the City Housing Authority and obtain approval of any significant policy decisions regarding administration of the City Program.

Moving to Work (MTW) Annual Plan FY 2019

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

The MTW Annual Plan is a major policy document which includes numerous policies and guidelines impacting the use, administration management, and oversight of the SCCHA and City Housing Authority rental voucher programs. Each year, the SCCHA releases the MTW Plan for the SCCHA and the City Housing Authority, describing new policies that may be implemented as part of its MTW Program. Once HUD approves the proposed policies, the SCCHA can implement those policies through programs that meet the housing needs of the local community.

ANALYSIS

The SCCHA is re-proposing one previously approved activity and four new activities in the 2019 MTW Plan:

- Re-Proposed Activity (2017-3) – Expand Landlord Initiatives: Bonus Payment;
- Proposed Activity (2019-1) – Graduation Bonus;
- Proposed Activity (2019-2) – Family Self-Sufficiency Program (FSS) – Waive Contract of Participation Requirements;

- Proposed Activity (2019-3) – Waiving the Requirement that a Public Housing Authority (PHA) Predetermine Rental Reasonableness for Manufactured Home Spaces Annually; and
- Proposed Activity (2019-4): Streamline the Lease-Up Process.

The Housing Department has reviewed the draft MTW 2019 Annual Plan and supports the activities (further described in detail below) SCCHA will submit to HUD for consideration.

Re-Proposed Activity (2017-3) – Expand Landlord Initiatives: Bonus Payment

Originally, the "Bonus Payment" activity was proposed to provide vacancy payments to participating owners who re-lease a vacant Housing Choice Voucher (HCV) unit to a new HCV participant. The activity is being re-proposed to expand the incentives that the SCCHA is able to offer landlords to increase and maintain rental units available for Section 8 families.

The proposed bonus payment would be established within a range that is considered reasonable, based on an evaluation of current rents between $500 and $2,500. The bonus payment amount will be reviewed annually and described in SCCHA's Section 8 Administrative Plan. SCCHA staff will evaluate several factors prior to determining the need for implementing the annual bonus payment. These factors include: County vacancy rates, open market rental costs, and the number of participants seeking housing. The amount and necessity of the bonus payment will be evaluated on an annual basis.

Proposed Activity (2019-1) – Graduation Bonus

Currently, HUD regulations state that the Housing Authority Payment (HAP) contract terminates automatically 180 calendar days after the last housing assistance payment to the owner. In practice, this regulation has the following elements:

- The threshold HAP amount ($0);
- The time period (180 days); and
- The ending of HAP assistance.

Proposed Activity 2019-1 seeks to change the threshold HAP amount and the automatic termination time period. It also adds a financial payment upon the ending of housing assistance to the family, which is known as a "graduation bonus."

Participants in SCCHA's MTW HCV program whose income has increased to the point where their HAP has fallen below $100 per month, will be paid $2,000 per eligible individual in the family. Payment will occur after 60 days, at which time the family will be removed from the Section 8 HCV program. This amount is approximately the average individual's monthly income for families that would be affected by this activity. As of January 2019, the average annual family income of SCCHA MTW HCV participants with less than $100 HAP was $77,907 with an average family size of three.

The graduation bonus described by this activity is intended to ease the transition of formerly-assisted families into the unsubsidized housing market. The payment is a "cushion" which will serve as a financial reserve. The activity will also increase voucher turnover and speed the rate at which SCCHA can service applicants on its Section 8 waiting list.

Proposed Activity (2019-2) – Family Self-Sufficiency Program (FSS) – Waive Contract of Participation Requirements

Under HUD regulations, the Family Self-Sufficiency (FSS) program requires the execution of a Contract of Participation (CoP) between the PHA and the Head of Household (HoH) of the participating FSS family. The CoP states that, in order to properly create the FSS escrow account, PHA's must use income and tenant rent portion obtained from an interim or annual reexamination that occurred within 120 days of the CoP execution date. If the last interim or annual reexamination occurred more than 120 days from the CoP execution, the PHA must conduct a new interim reexamination to re-determine the income and rent portion of the enrolling FSS program family.

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

Further, SCCHA is proposing to waive the requirement that the HoH of the FSS family must maintain suitable employment and complete the requirements of the CoP before the family may be classified as a "successful FSS completion." SCCHA is proposing to use its MTW designation to allow families to be classified as a "successful FSS completion" and receive escrow, if at least one adult household member completed an individual Training and Services Plan and was suitably employed at graduation.

Proposed Activity (2019-3) – Waiving the Requirement that a PHA Predetermine Rental Reasonableness for Manufactured Home Spaces Annually

SCCHA proposes the elimination of the HUD requirement that a PHA annually re-determine that the current rent paid to the owner is reasonable for a manufactured home space. SCCHA will continue to perform a full review of rent reasonableness at the time of a new contract, owner requested rent changes, tenant requests, or when deemed necessary by SCCHA staff.

Proposed Activity (2019-4): Streamline the Lease-Up Process

SCCHA proposed to revise its lease-up process in order to alleviate the delays associated with the processing and completion of the Request for Tenancy Approval (RFTA) packet, tenancy addendum, and lease. The standard form document, especially various HUD forms, can be confusing to owners and tenants alike.

SCCHA's established a Customer Service Initiative program in 2016 to better understand critical issues facing tenants, owners, and prospective owners. Owners specifically singled out the RFTA process as a source of frustration. In particular, Standard Form HUD-52517 was identified as a significant hurdle. This form requires owners to provide redundant and potentially unnecessary information. Further, any error or mismatch in the information to the exact terms in the lease document, no matter how insignificant, results in delays as staff must then confer with the owner in order to rectify the mistake.
By not requiring owners to complete Standard Form HUD-52517, SCCHA's goal is to simplify and streamline the lease-up process for all parties.

EVALUATION AND FOLLOW-UP

The Housing Department will continue to work with the SCCHA to ensure that City Housing Authority priorities are considered throughout the MTW process. As appropriate, staff will return to the Board of Commissioners if action is needed to provide formal City Housing Authority comments and direction.

PUBLIC OUTREACH/INTEREST

From December 2017 through March 2018, the SCCHA hosted several meetings with the community and other stakeholders regarding the 2019 MTW Plan. Additionally, on February 20, 2018, the SCCHA published the draft MTW Plan on its website for an additional 30-day public review period. On February 28, 2018, the SCCHA held a public hearing to provide the opportunity for the community and stakeholders to comment on the 2019 MTW Plan. Finally, the proposed 2019 MTW Plan will be presented to the SCCHA Board of Commissioners at their meeting on March 22, 2018. The approved Plan, will be submitted to HUD by April 15, 2018. This memorandum will be posted to the City's website for the March 20, 2018, City Council meeting.

COORDINATION

This Memorandum has been coordinated with the Budget Office and the Office of the City Attorney.

COMMISSION RECOMMENDATION/INPUT

This item was not heard by the Housing and Community Development Commission, as it does not fall under the functions, powers and duties of the Commission delineated in Section 2.08.2840 of the San José Municipal Code.

CEQA

Not a Project, File No. PP17-008, General Procedure & Policy Making resulting in no changes to the physical environment.

/s/
JACKY MORALES-FERRAND
Executive Director, City Housing Authority

For questions, please contact Patrick Heisinger, Division Manager at (408) 975-2647.

Attachment A: Draft Moving to Work (MTW) 2019 Annual Plan

HOUSINGAUTHORITY
SANTA CLARA COUNTY
making homes, growing communities

DRAFT
Moving to Work (MTW) 2019 Annual Plan

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

Submitted April XX, 2018

Moving to Work FY2019 Annual Plan

SANTA CLARA COUNTY HOUSING AUTHORITY (SCCHA)

(Housing Authorities of the County of Santa Clara & The City of San José)

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

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I. Introduction

Purpose of this Plan

In 1967, the Santa Clara County Board of Supervisors established the Santa Clara County Housing Authority of the County of Santa Clara (SCCHA). SCCHA has an agreement with the City of San José to administer and manage the Housing Authority of the City of San José (HACSJ)'s Housing Choice Voucher program. This MTW Plan presents a consolidated strategy to be implemented for both the County and City programs.

In 2008, SCCHA entered into a 10-year agreement (which has been extended until the conclusion of Fiscal Year 2028) with the Department of Housing and Urban Development (HUD) to become a Moving to Work (MTW) agency. This MTW Annual Plan illustrates how SCCHA proposes to carry out the MTW program in Fiscal Year 2019 (FY2019) from July 1, 2018 through June 30, 2019. The MTW Plan is an annual requirement by HUD and systematically describes how each activity advances SCCHA's vision and goals within the framework of the MTW charter.

What is MTW?

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

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

MTW requires SCCHA 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 the Agency had before its MTW status.

SCCHA's Vision and Goals

In FY2014, SCCHA developed a five-year Strategic Plan to guide the Agency's direction over the long range. The Strategic Plan affirmed SCCHA's mission to provide and inspire affordable housing solutions that enable low-income people in Santa Clara County to achieve financial stability and self-reliance, identified the Agency's core values, and established SCCHA's short-term and long-term goals built upon MTW objectives.

Using the Strategic Plan as a compass, SCCHA is pursuing strategies within FY2019 and beyond that will set the foundation for the Agency to fulfill its MTW and non-MTW long-term goals.

SCCHA's Short-Term Goals and Proposed MTW Activities for Fiscal Year 2019

Beginning in late Calendar Year (CY) 2017, SCCHA began releasing vouchers to qualified Housing Choice Voucher (HCV) waiting list applicants. SCCHA has also begun the planning process to re-open the HCV waiting list. Currently there are approximately 5,000 applicants remaining on the HCV waiting list. SCCHA projects to re-open the waiting list in late FY2019 or early FY2020. Vacancy rates remain very low in Santa Clara County, so SCCHA will closely monitor housing success rates for searching voucher holders and will provide housing search assistance if needed.

In mid-FY2018 SCCHA made available 258 Project Based Vouchers (PBVs) for development, in concert with the County of Santa Clara's voter-approved Measure A, which makes nearly $1 billion in funding available for the development of affordable housing. These PBVs were included in a joint Notice of Funding Availability with the County, allowing developers to apply for both housing resources through one application. SCCHA will award the remaining PBVs to those developers who are awarded Measure A funds using an MTW activity that allows the Agency to select PBVs through a streamlined competitive selection method. SCCHA anticipates awarding the balance of the vouchers in FY2018, with construction to finish on those projects in FY2019 and FY2020.

SCCHA's Human Resources Department and Training and Outreach team continue to facilitate internal trainings focused on professional development (i.e. communication skills, accepting change, project management, etc.) and how to effectively administer the Section 8 program in compliance with HUD regulations. The team presents monthly Tenant Housing Search Workshops and Section 8 Owner Information Sessions to continually communicate essential program information to major stakeholders. Further, SCCHA's Compliance Team, created in April 2015, consistently and effectively monitors and evaluates the agency's federal programs, ensuring staff and program participant compliance with applicable program rules and regulations.

SCCHA's affordable housing Development team continues construction on two projects owned by SCCHA affiliates, the Park Avenue Senior Apartments and the Laurel Grove Family Apartments. The two adjacent 100%-PBV properties were purchased with MTW funds and, once complete, will provide respectively 99 units of affordable senior housing and 81 units of affordable family housing in a transit and amenity rich neighborhood of San Jose. Completion of the Laurel Grove Family Apartments is expected in late summer 2018 and completion of the Park Avenue Senior Apartments is expected in late 2019.

In addition to this construction activity, SCCHA has recently purchased or entered into purchase agreements for new development opportunities. Specifically, SCCHA utilized $30.459 million in MTW funds to purchase 6.47 acres of unimproved land in downtown San Jose. While there are no current plans to develop the site, SCCHA is exploring ways to develop the property for future agency needs.

In late FY 2018 or early FY2019, SCCHA intends to acquire 2.3 acres of land midtown San Jose, utilizing $12 million in MTW funds. Once acquired, SCCHA will develop the property into two distinct projects. The first is Alvarado Park Senior Housing that includes 89 affordable units targeting seniors. The second is Bellarmino Place Family Housing comprised of 115 affordable units for working families. SCCHA will commence predevelopment activities after acquisition and hopes to break ground in late CY2019.

As will be reported in the FY 2018 MTW Report, SCCHA purchased the Buena Vista Mobile Home Park in Palo Alto, CA in September 2017. Throughout the next year, SCCHA will commence predevelopment activities to fully renovate the park. These activities could include a predevelopment and construction loan of additional MTW funds for eligible project costs.

SCCHA's Information Technology and Facilities Department is striving to improve the agency's efficiency, and to meet staff's physical and technological needs. In FY2019, the Department will be introducing a new mobile application for applicants and current tenants that will facilitate information requests, submission of documents, and communications with Housing Authority staff. The Department is also building an internal Agency-wide intranet to improve staff collaboration and communication.

IT staff are also working to improve the services offered to Section 8 owners through SCCHA's "Partner Portal" website. The Partner Portal is accessible from the SCCHA homepage and is intended to provide owners with the ability to retrieve online information regarding their rental assistance payments, 1099 tax forms, tenants, and assigned specialists, and to be able to submit forms electronically. A pilot implementation for using electronic signatures for Housing Assistance Payments contracts has been completed. Electronic signatures will significantly reduce the time needed to process contracts and issue initial HAP payment to owners.

Lastly, a major priority for SCCHA is to continue to ensure that the Housing Choice Voucher (HCV) program continues to operate in an effective way. SCCHA is re-proposing one activity and proposing four new activities that focus on cost-effectiveness of program administration and economic self-sufficiency for low-income families.

The following activities are proposed in Section III of this MTW Plan:

- *Re-Proposed Activity 2017-3: Expand Landlord Initiatives: Bonus Payment.* This activity was created as a means to encourage owners to rent their vacant units to HCV voucher holders. SCCHA is re-proposing this activity to include bonus payments for new owners who agree to rent to HCV voucher holders.
- *Proposed Activity 2019-1: Graduation Bonus.* This activity will modify the regulation that the HAP contract automatically terminates 180 days after the last HAP payment to include families whose HAP amount is less than $100 per month, shorten the time period before automatic termination to 60 days, and provide a graduation bonus payment to affected

families. The graduation bonus paid by this activity is intended to ease the transition of formerly-assisted families into the unsubsidized housing market.

- *2019-2: Family Self-Sufficiency Program (FSS) – Waive Contract of Participation Requirements.* This activity will waive the requirement that a family enrolling in FSS must have an interim or annual reexamination conducted within 120 days of the Contract of Participation (CoP) effective date. In addition, this activity will modify FSS CoP requirements to allow families to be classified as a "successful FSS completion" if at least one adult family member completes the requirement of suitable employment and the goals of their Individual Training and Services Plan.
- *2019-3: Waiving the Requirement that a PHA Re-determine Rent Reasonableness for Manufactured Home Spaces Annually.* SCCHA proposes the elimination of the HUD requirement that a PHA must annually re-determine the reasonable rent for a manufactured home space.
- *2019-4: Streamline the Lease-Up Process.* SCCHA proposes to alleviate the delays associated with the processing and completion of the lease-up process. Specifically, SCCHA proposes waiving the required use of standard form HUD-52517 and the HUD-required language that must be included in Section 8 leases.

SCCHA's Long-Term Vision

SCCHA continues to focus on its vision and core values, as guided by its five-year Strategic Plan. Every six months, SCCHA reports to its Board the progress on the action items and objectives developed from the Agency's Strategic Plan Goals. These updates encourage the agency to re-prioritize or revise the objectives of the Plan as necessary and provide a status report to both internal and external stakeholders on how SCCHA's initiatives align with the Strategic Plan.

Santa Clara County is in the midst of a well-publicized affordable housing crisis. This need is demonstrated by the overwhelming voter approval of $950 million in Measure A bond funds that will be committed to the development of affordable housing. As described earlier, SCCHA partnered with the County of Santa Clara by providing 258 additional Section 8 PBVs for developers seeking Measure A bond funds. Attaching vouchers to the Measure A development funds insures that units will be affordable for the County's vulnerable populations, and that new construction properties will have sufficient and long-lasting operating revenue. SCCHA is committed to making available as many additional PBVs in support of Measure A as HUD regulations and funding availability allow.

SCCHA will continue to preserve and improve its affordable housing portfolio and expand the availability of new affordable housing to meet community needs. In addition to using MTW funds where necessary, SCCHA has created a pool of non-federal funds to continue the preservation and rehabilitation of existing SCCHA-managed units. SCCHA will continue to look for other opportunities to invest in new housing opportunities within the County.

Overview of SCCHA's MTW Activities

Note: Closed Out Activities 2009-3, 2009-4, 2009-6, 2009-7, 2009-10, 2009-12, 2010-1, 2012-1 and 2015-1 are not shown.

		MTW Statutory Objectives		
Activity # (Proposed Plan Year + Activity #)	Activity	Reduce Cost & Achieve Greater Cost Effectiveness in Federal Expenditures	Provide Incentives to Families Leading Toward Economic Self-Sufficiency	Increase Housing Choices for Low-Income Families
2009-1 (Amended in FY2016)	Reduced Frequency of Tenant Reexaminations	X	X	
2009-2	Expediting the Initial Eligibility Income Verification Process	X		
2009-5	Exploring New Housing Opportunities for the Chronically Homeless			X
2009-8	30-Day Referral Process for Project-based Vacancies	X		
2009-9	Utilization of Low Income Housing Tax Credit (LIHTC) Tenant Income Certification (TIC) for Income and Asset Verification	X		
2009-11	Project-Base 100 Percent of Units in Family Projects			X
2009-13	Combined Waiting Lists for the County of Santa Clara and the City of San José	X		
2009-14 (amended in FY2014)	Payment Standard Changes Between Regular Reexaminations	X		
2010-2	Excluding Asset Income from Income Calculations for Families with Assets Under $50,000	X		
2010-3	Applying Current Increased Payment Standards at Interim Reexaminations	X		
2010-4	Allocating Project-Based Vouchers to HACSC-Owned Projects Without Competition	X		
2010-5**	Assisting Over-Income Families Residing at SCCHA-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		

		MTW Statutory Objectives		
Activity # (Proposed Plan Year + Activity #)	Activity	Reduce Cost & Achieve Greater Cost Effectiveness in Federal Expenditures	Provide Incentives to Families Leading Toward Economic Self-Sufficiency	Increase Housing Choices for Low-Income Families
2012-2	Minimum Two-year Occupancy in Project-Based Unit	X		
2012-3	Create Affordable Housing Acquisition and Development Fund	X		X
2012-4	Create Affordable Housing Preservation Fund for HACSC- and Affiliate-owned Properties	X		X
2012-5**	Expand Tenant Services at SCCHA or Affiliate-Owned Affordable Housing Properties		X	
2013-1	Elimination of the Earned Income Disallowance (EID) Calculation	X		
2014-1a*	(Re-Proposed) Focus Forward Pilot Program Part I, Case Management, Incentives and Escrow		X	
2014-1b*	(Re-Proposed) Focus Forward Part II, Time Limit and Rent Structure		X	
2014-2*	Eliminate Requirement to Re-Determine Rent Reasonableness when HUD Decreases Fair Market Rents (FMRs)	X		
2014-3**	Freeze on Contract Rent Increases	X		
2014-4 (amended in FY2015)	Increased Tenant Contribution—Up to 35 Percent of Gross Income	X		
2015-2	Project-Based Voucher Inspection Self-Certification	X		
2016-1*	Restriction on Head of Household Changes		X	
2016-2*	Streamlining of PBV Selection Requirements		X	
2017-1	Phasing in the Subsidy Standard Change	X		
2017-2	Special Needs Population Direct Referral Program			X
2017-3	Landlord Initiative			X
2017-4*	Setting the Payment Standards Above 110 Percent of HUD Fair market Rents			X
2018-1*	Strengthening Partnerships through Capacity Building			X

*** Activities Not Yet Implemented**
**** Activities on Hold**

II. General SCCHA Operating Information

II.1.Plan.HousingStock
A. MTW Plan: Housing Stock Information

Planned New Public Housing Units to be Added During the Fiscal Year

AMP Name and Number	Bedroom Size 0	1	2	3	4	5	6+	Total Units	Population Type *	# of UFAS Units Fully Accessible	Adaptable
PIC Dev. # /AMP PIC Dev. Name	0	0	0	0	0	0	0	0	N/A	0	0
PIC Dev. # /AMP PIC Dev. Name	0	0	0	0	0	0	0	0	N/A	0	0
PIC Dev. # /AMP PIC Dev. Name	0	0	0	0	0	0	0	0	N/A	0	0
PIC Dev. # /AMP PIC Dev. Name	0	0	0	0	0	0	0	0	N/A	0	0

Total Public Housing Units to be Added N/A

* **Select Population Type from:** Elderly, Disabled, General, Elderly/Disabled, Other

If Other, please describe: N/A

Planned Public Housing Units to be Removed During the Fiscal Year

PIC Dev. # / AMP and PIC Dev. Name	Number of Units to be Removed	Explanation for Removal
PIC Dev. # /AMP PIC Dev. Name	0	N/A
PIC Dev. # /AMP PIC Dev. Name	0	N/A
PIC Dev. # /AMP PIC Dev. Name	0	N/A
Total Number of Units to be Removed	0	

New Housing Choice Vouchers to be Project-Based During the Fiscal Year		
Property Name	**Anticipated Number of New Vouchers to be Project-Based ***	**Description of Project**
Met South	10	Family, new construction project, consisting of 31 units (9 studios, 8 1-bedroom, 5 2-bedroom, and 9 3-bedroom units). PBV units are for seniors and large families.
Morgan Hill Family - Scattered Site	40	Family, new construction project, consisting of 41 units (6 1-bedroom, 23 2-bedroom, and 12 3-bedroom units). PBV units are for large families, homeless and chronically homeless families.
Laurel Grove Family Apartments	81	Family, new construction project, consisting of 82 units 14 1-bedroom, 43 2-bedroom, and 25 3-bedroom units). PBV units are for families and to be identfied special needs and/or chronically homeless families.
Second Street Studios	134	Family, new construction project, consisting of 135 units (128 studios, 6 1-bedroom, and 1 2-bedroom units). PBV units are for chronically homeless families.
1701 ECR	16	New construction project, consisting of 65 units (64 studios, 1 1-bedroom manager unit). 16 PBV units are for chronically homeless individuals, and 25 units are HUD-VASH PBV units for chronically homeless veterans (VASH PBV units not reflected here - see below).
Anticipated Total New Vouchers to be Project-Based	281	

Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	1,721
Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Fiscal Year	1,721

*New refers to tenant-based vouchers that are being project-based for the first time. The count should only include agreements in which a HAP agreement will be in place by the end of the year.

Other Changes to the Housing Stock Anticipated During the Fiscal Year
The Vermont House rehabilitation construction project, consisting of 16 HUD-VASH PBV units for chronically homeless veterans, opened during FY2018. No MTW PBVs were attached to this project.
The 1701 ECR project (described above) is a new construction project slated to open during FY2019. The project has both MTW and non-MTW PBV units attached (16 PBV units for chronically homeless individuals and 25 HUD-VASH PBV units for chronically homeless veterans).
Examples of the types of other changes can include but are not limited to units that are held off-line due to the relocation of residents, units that are off-line due to substantial rehabilitation and potential plans for acquiring units.

General Description of All Planned Capital Fund Expenditures During the Plan Year
SCCHA intends to continue to fund the construction costs of Laurel Grove Family Apartments (82 units) and the Park Avenue Senior Apartments (100 units). Completion for the Laurel Grove Family Apartments is estimated for July 2018 and completion of the Park Avenue Senior Apartments is estimated for November 2019. SCCHA also intends to continue predevelopment activities on two projects; Alvarado Senior Housing (90 units) and Bellarmino Place Family Housing (116 units). SCCHA hopes to start construction on these two new projects in FY2020.

II.2.Plan.Leasing

B. MTW Plan: Leasing Information

Planned Number of Households Served at the End of the Fiscal Year

MTW Households to be Served Through:	Planned Number of Households to be Served*	Planned Number of Unit Months Occupied/ Leased***
Federal MTW Public Housing Units to be Leased	4	48
Federal MTW Voucher (HCV) Units to be Utilized	17,945	215,340
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Property-Based Assistance Programs **	895	10,740
Number of Units to be Occupied/Leased through Local, Non-Traditional, MTW Funded, Tenant-Based Assistance Programs **	0	0
Total Households Projected to be Served	18,844	226,128

* Calculated by dividing the planned number of unit months occupied/leased by 12.
** In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/households to be served, the PHA should estimate the number of households to be served.
***Unit Months Occupied/Leased is the total number of months the PHA has leased/occupied units, according to unit category during the fiscal year.

Reporting Compliance with Statutory MTW Requirements

If the PHA has been out of compliance with any of the required statutory MTW requirements listed in Section II(C) of the Standard MTW Agreement, the PHA will provide a narrative discussion and a plan as to how it will return to compliance. If the PHA is currently in compliance, no discussion or reporting is necessary.

N/A

Description of any Anticipated Issues Related to Leasing of Public Housing, Housing Choice Vouchers and/or Local, Non-Traditional Units and Possible Solutions	
Housing Program	**Description of Anticipated Leasing Issues and Possible Solutions**
Federal MTW Public Housing Units	SCCHA does not anticipate any issues related to the leasing of these units
Housing Choice Voucher (HCV)	HCV program applicants and participants are experiencing challenges in finding suitable housing. Santa Clara County is one of the most expensive areas in the country for rental housing market, and rents continue to increase every year. The average rents are substantially higher than the area's HUD Fair Market Rents (FMRs) and the current vacancy rate for the County is less than three percent. In FY2019, SCCHA continued an intensive owner recruitment and retention program and tenant housing search workshops. Housing search assistance was also implemented for those voucher holders who request extensions to their shopping vouchers.
Federal MTW Non-Traditional Activities	SCCHA did not have any issues associated with leasing these units

II.3.Plan.WaitList
C. MTW Plan: Wait List Information

Wait List Information Projected for the Beginning of the Fiscal Year

Housing Program(s) *	Wait List Type**	Number of Households on Wait List	Wait List Open, Partially Open or Closed***	Are There Plans to Open the Wait List During the Fiscal Year
Federal MTW Public Housing Units	Site Based	700	Closed	No
Federal MTW Housing Choice Voucher Program	Program Specific	5,914	Closed	No
Project-Based Local, Non-Traditional MTW Housing Assistance Program	Site Based	8,133	Open	Yes

Rows for additional waiting lists may be added, if needed.

* *Select Housing Program* : Federal MTW Public Housing Units; Federal MTW Housing Choice Voucher Program; Federal non-MTW Housing Choice Voucher Units; Tenant-Based Local, Non-Traditional MTW Housing Assistance Program; Project-Based Local, Non-Traditional MTW Housing Assistance Program; and Combined Tenant-Based and Project-Based Local, Non-Traditional MTW Housing Assistance Program.

** *Select Wait List Types* : Community-Wide, Site-Based, Merged (Combined Public Housing or Voucher Wait List), Program Specific (Limited by HUD or Local PHA Rules to Certain Categories of Households which are Described in the Rules for Program Participation), None (If the Program is a New Wait List, Not an Existing Wait List), or Other (Please Provide a Brief Description of this Wait List Type).

*** For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open.

If Local, Non-Traditional Housing Program, please describe:

SCCHA used MTW funds for the development of the following housing: Ford Road Plaza - 4,213 on Wait List (closed), the rehabilitation of Clarendon - 1,250 on Wait List (closed) and Bendorf - 913 on Wait List (closed).
SCCHA also plans to MTW funds to refinance Hezler Court Apartments - 670 on Wait List (open), Pinmore Gardens - 500 on Wait List (open), El Parador - 30 on Wait List (closed), Morrone Gardens - 200 on Wait List (open), and Blossom River - 357 on Wait List (closed).

If Other Wait List Type, please describe:

N/A

If there are any changes to the organizational structure of the wait list or policy changes regarding the wait list, provide a narrative detailing these changes.

None

III. Proposed MTW Activities (HUD Approval Requested)

This section describes the new MTW activities that SCCHA proposes to implement in FY2019.

Expand Landlord Initiatives: Bonus Payment (Re-Proposed Activity 2017-3)

Description of MTW Activity

The rental housing market in Santa Clara County ranks as one of the most expensive in the nation with record low vacancy rates. SCCHA has implemented a renewed focus on property owner recruitment and retention in order to increase and preserve the number of affordable housing options for its voucher holders throughout the County. In an effort to attract new Housing Choice Voucher (HCV) owners, SCCHA is re-proposing a landlord initiative activity begun in 2017 to include new HCV program owners who may otherwise be discouraged by the additional administrative burden associated with the HCV program. New owners who rent their unit to an HCV participant will receive a bonus payment of between $500 and $2,500. Through this activity, SCCHA hopes to provide incentives to attract new owners to the HCV program and increase the number of rental units available for Section 8 families.

This activity was originally proposed to provide vacancy payments to participating owners who re-lease a vacant HCV unit to a new HCV participant. The activity is being re-proposed to expand the initiatives SCCHA is able to offer landlords to increase and maintain rental units available for Section 8 families.

The bonus payment amount will range between $500 and $2,500—an amount that was determined to be reasonable after evaluating the program-wide contract rent range. The bonus payment amount will be reviewed annually and included in SCCHA's Section 8 Administrative Plan. SCCHA staff will evaluate several factors prior to determining the need for implementing the annual bonus payment, including: County vacancy rates, open market rental costs, and the amount of participants shopping for housing. The amount and necessity of the bonus payment will be evaluated on an annual basis using information collected annually from the Agency's electronic database, Emphasys Elite.

Relation to Statutory Objectives

This activity addresses the statutory objective of increasing housing choices for low income families by providing an incentive for new owners to join the program thereby increasing the housing inventory for HCV participants.

Anticipated Impact of the Activity

SCCHA anticipates that this activity will increase the number of HCV units available to be leased by HCV participants and provide an incentive for new owner participation in the HCV program.

Anticipated Schedule for Achieving the Stated Objectives

This activity is anticipated to be implemented upon approval.

Proposed Baselines, Benchmarks, Metrics and Data Collection

SCCHA set its benchmark based on the number of landlords who rented to Section 8 tenants in Fiscal Year 2017. Data related to this activity will be collected annually from the Agency's electronic database, Emphasys Elite.

Activity 2017-3: Re-Propose Landlord Initiatives/Bonus Payment				
Unit of Measurement	**Baseline**	**Benchmark**	**Projected Outcome**	**Benchmark Achieved?**
HC #1: Additional Units of Housing Made Available				
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase)	0	TBD	N/A	N/A

Authorization for the Activity

This proposed activity is authorized in SCCHA's Moving to Work Agreement, Attachment C, Section D(1)(d) and waives certain provisions of Section 8 and 9 of the 1937 Act and 24 CFR 982 and 990 as necessary to implement that Agency's Annual MTW Plan. This authorization is needed to allow the use of MTW funds to pay incentive payments to HCV property owners in addition to Project Based Voucher owners.

Rent Reform Impact Analysis, Hardship Case Criteria, Annual Reevaluation and Transition Period

This activity does not qualify as a Rent Reform Initiative.

This activity was made available for public review and included as a proposed activity in the public hearing held for the FY2019 MTW Annual Plan. SCCHA will obtain approval from its Board of Commissioners prior to the activity's implementation. The impact of this activity will be evaluated annually in SCCHA's MTW Report.

2019-1: Graduation Bonus (Proposed Activity)

Description of MTW Activity

Currently, HUD regulations state that "HAP contract terminates automatically 180 calendar days after the last housing assistance payment to the owner." (24 CFR §982.455). In practice, this regulation has three elements: (1) the threshold HAP amount ($0); (2) the time period (180 days); and (3) the ending of HAP assistance. Proposed Activity 2019-1 seeks to change the threshold HAP amount and the time period, and add a financial payment upon the ending of housing assistance to the family.

Participants in SCCHA's MTW HCV program whose income has increased to the point where their HAP has fallen below $100 per month will be paid $2,000 per eligible individual in the family after 60 days and removed from the Section 8 Housing Choice Voucher program. This amount is approximately the average individual monthly income of families that would be affected by this activity. As of January 25, 2018, the average annual family income of SCCHA MTW HCV participants with less than $100 HAP was $77,907 with an average family size of 3. This income amount is greater than 80% of the Area Median Income in Santa Clara County for three-person families.

The graduation bonus paid by this activity is intended to ease the transition of formerly-assisted families into the unsubsidized housing market. The payment is a "cushion" which will serve as a financial reserve. The activity will also increase voucher turnover and speed the rate at which SCCHA can service applicants on its Section 8 waiting list.

Relation to Statutory Objectives

This activity supports the statutory objective of promoting participants' economic self-sufficiency by easing the transition from the Section 8 program to the unsubsidized housing market.

Anticipated Impact of the Activity

As of January 25, 2018, forty-five (45) participant households had monthly HAP amounts of less than $100. SCCHA expects this activity to increase the number of families that will graduate from the Section 8 program.

Anticipated Schedule for Achieving the Stated Objectives

This activity will be implemented upon approval. Upon implementation of the necessary changes to SCCHA's computer and financial systems, participants for whom SCCHA has been paying zero HAP for 120 days or more will receive a written notice informing them of the graduation bonus they will receive upon the end of their participation in the Section 8 program. Those participants for whom at the time of implementation SCCHA is paying between $1 and $99 (inclusive) HAP per month, and those participants for whom SCCHA has been paying zero HAP for less than 120 days, will receive written notice that their participation in the Section 8 program will be

terminated 60 days after the date of the notice, and that they will be receiving the graduation bonus.

Proposed Baseline, Benchmarks, Metrics and Data Collection

Data related to this activity will be collected and retrieved at least annually from the Agency's electronic database. After implementation, SCCHA will re-evaluate and refine and/or revise the standardized metrics as needed, at least once annually.

For Metric SS #8 below, SCCHA counts as the baseline the number of households whose participation in the Section 8 program were ended in CY 2017 because of zero HAP. The benchmark adds the number of households who had monthly HAP amounts of less than $100 as of January 25, 2018.

Activity 2019-1: Graduation Bonus				
Unit of Measurement	**Baseline**	**Benchmark**	**Projected Outcome**	**Benchmark Achieved?**
SS #8: Households Transitioned to Self-Sufficiency				
Number of households transitioned to self-sufficiency (increase).	24	69	N/A	N/A

Authorization for the Activity

The proposed activity is authorized in Attachment C, Paragraphs D and E of the SCCHA's MTW Agreement, and waives certain provisions of Sections 8(o)(4), 16(b), and 23 of the 1937 Act and 24 C.F.R. 5.603, 5.609, 5.611, 5.628, 982.201, and 984 as necessary to implement SCCHA's MTW Plan. This authorization is needed in order to change the threshold HAP amount necessary to initiate an automatic termination, to change the time period before automatic termination, and to provide for a graduation bonus payment upon automatic termination.

Rent Reform Impact Analysis, Hardship Case Criteria, Annual Reevaluation and Transition Period

This activity does not qualify as a rent reform initiative.

This activity was made available for public review and included as a proposed activity in the public hearing held for the FY2019 MTW Annual Plan. SCCHA will obtain approval from its Board of Commissioners prior to the activity's implementation. The impact of this activity will be evaluated annually in SCCHA's MTW Report.

2019-2: Family Self-Sufficiency Program – Waive Contract of Participation Requirements (Proposed Activity)

Description of MTW Activity

Currently, under HUD regulations, the Family Self-Sufficiency (FSS) program requires the execution of a Contract of Participation (CoP) (HUD Form-52650) between the Public Housing Authority (PHA) and the Head of Household (HoH) of the participating FSS family. The CoP states that in order to properly create the FSS escrow account, the enrolling family must use income and tenant rent portion obtained from an interim or annual reexamination that occurred within 120 days of the CoP execution date. If the last interim or annual reexamination occurred more than 120 days from the CoP execution, the PHA must conduct a new interim reexamination to re-determine the income and rent portion of the enrolling FSS program family.

With this activity, SCCHA is proposing to waive the requirement that a family enrolling in the FSS program must have an interim or annual reexamination conducted within 120 days of the CoP effective date. Due to SCCHA's biennial reexamination schedule, many working families' rent portions have not been reviewed for almost two years. Therefore, the required FSS interim reexamination may result in an increased income and tenant rent portion. However, when the FSS enrollment interim reexamination is conducted and it is determined that the family has increased their income, the increase will not be captured in escrow savings. By waiving the 120-day requirement, enrolling FSS participants will start the program at the pre-determined income and tenant rent portion, and as a result, when an income increase is captured at the next interim or annual reexamination, they will be able to experience an increase to their escrow account savings. Additionally, SCCHA has found that this requirement may be a deterrent to enrollment. In 2017, after attending FSS Program orientation, 66 SCCHA families showed interest in the program. Once these families were informed of the requirement of possibly having their tenant rent portions revised, only 30 followed through with enrollment. SCCHA anticipates that by waiving this requirement, FSS clients will experience more savings accrued in their escrow account and overall enrollment will increase, thus allowing more families to receive services to improve their self-sufficiency.

In addition, SCCHA is proposing to waive the requirement that the HoH of the FSS family must maintain suitable employment and complete the requirements of the CoP before the family can be classified as a "successful FSS completion." SCCHA is proposing to use its MTW designation to allow families to be classified as a "successful FSS completion" and receive escrow as long as at least one adult household member completed an Individual Training and Services Plan (ITSP) and was suitably employed at graduation. Under this activity, the HoH would still be held to the requirements of the CoP and ITSP, but another household member who established ITSP goals

could be the one to fulfill the final goal of maintaining suitable employment. The implementation of this activity will allow SCCHA to broaden the pool of families who could benefit from the FSS program's escrow savings account to include families where the HoH is unable to work due to disability or other reasons.

Relation to Statutory Objectives

This activity addresses the statutory objective of increasing self-sufficiency for low income families by providing a less restrictive enrollment process for SCCHA families who are interested in receiving the services of the FSS program. SCCHA also anticipates that families will be able to increase their escrow account savings. Lastly, this activity will increase agency cost savings as it will reduce the amount of staff hours expended in conducting additional reexaminations immediately prior to enrollment.

Anticipated Impact of the Activity

SCCHA anticipates that this activity will increase the number families enrolled in the FSS program, and thus will increase the number of families who are receiving services to further their goals of becoming self-sufficient.

Anticipated Schedule for Achieving the Stated Objectives

This activity is anticipated to be implemented upon approval.

Proposed Baseline, Benchmarks, Metrics and Data Collection

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

Activity 2019 - 2: Family Self Sufficiency Program - Waive Contract of Participation Requirements				
Unit of Measurement	**Baseline**	**Benchmark**	**Projected Outcome**	**Benchmark Achieved?**
SS#1: Increase Household Income				
Average earned income of households affected by this policy in dollars (increase).	$22,222	$26,060	N/A	N/A
SS#2: Increase Household Savings				
Average amount of savings/escrow of households affected by this policy in dollars (increase).	$0	$5,056	N/A	N/A

SS#5: Households Assisted by Services that Increase Self-Sufficiency				
Number of households receiving services aimed to increase self-sufficiency (increase).	232	268*	N/A	N/A
SS#8: Households Transitioned to Self-Sufficiency				
Number of households transitioned to self-sufficiency (increase).**	0	4	N/A	N/A
CE#1: Agency Cost Savings				
Total cost of task in dollars (decrease).***	$8,089	0	N/A	N/A
CE#2: Staff Time Savings				
Total time to complete the task in staff hours (decrease).***	66	0	N/A	N/A

*There are currently 232 participants actively enrolled in the FSS program. SCCHA believes that by waiving the 120-day interim reexamination requirement, enrollment will increase by an additional 36 prospective participants who had previously chosen not to enroll.
**Self-sufficiency is defined as a household who leaves housing assistance voluntarily or whose income is equal to or greater than 80 percent of the AMI. With this metric, SCCHA reviewed data for FSS participants who reached 80 percent of the AMI or left housing assistance voluntarily in 2017.
*** SCCHA anticipates there will be staff time and agency cost savings with the waiving of the 120-day interim reexamination requirement. If the 66 prospective participants would have enrolled in the FSS program, SCCHA would realize savings for cost and time of 66 interim reexaminations.

Authorization for the Activity

The proposed activity is authorized in Attachment C, Paragraph E and waives certain provisions of Section 23 of the 1937 Act and 24 CFR 984 as necessary to implement SCCHA's MTW Plan.

This authorization is needed to waive FSS program Contract of Participation requirements.

Rent Reform Impact Analysis, Hardship Case Criteria, Annual Reevaluation and Transition Period

This activity does not qualify as a rent reform initiative.

This activity was made available for public review and included as a proposed activity in the public hearing held for the FY2019 MTW Annual Plan. SCCHA will obtain approval from its Board of Commissioners prior to the activity's implementation. The impact of this activity will be evaluated annually in SCCHA's MTW Report.

2019-3: Waiving the Requirement that a PHA Re-determine Rent Reasonableness for Manufactured Home Spaces Annually (Proposed Activity)

Description of MTW Activity

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

Relation to Statutory Objectives

The proposed activity addresses the statutory objective of achieving greater cost effectiveness in federal expenditures by eliminating the administrative burden placed on SCCHA staff to perform additional rent reasonableness reviews.

Anticipated Impact of the Activity

SCCHA anticipates a decrease in staff time to process the additional rent reasonableness reviews required for manufactured home space rentals. Numerous variables affect the amount of staff time it takes to perform the rent reasonableness review for all the manufactured homes in the program. SCCHA estimates that each rent review takes approximately 42 minutes to complete, if no owner negotiation is needed. An MTW activity is necessary because HUD regulations require that rent reasonableness of manufactured home spaces be re-determined annually.

SCCHA does not anticipate any adverse effects to participants by this activity as manufactured home owners may request rent reasonableness reviews if they believe the contract rent is not at market standards.

Anticipated Schedule for Achieving the Stated Objectives

SCCHA anticipates implementing this activity upon approval.

Proposed Baseline, Benchmarks, Metrics and Data Collection

Data related to this activity will be collected and retrieved annually from the Agency's electronic database.

As this activity is implemented, SCCHA may revise the activity's metrics and further quantify and refine its performance baselines and benchmarks.

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

Authorization for the Activity

The proposed activity is authorized in Attachment C, Paragraph D (2)(c) and waives certain provisions of Section 8(o)(10) of the 1937 Act and 24 C.F.R. 982.507 as necessary to implement SCCHA's Annual MTW Plan.

Rent Reform Impact Analysis, Hardship Case Criteria, Annual Reevaluation and Transition Period

This activity does not qualify as a rent reform initiative.

This activity was made available for public review and included as a proposed activity in the public hearing held for the FY2019 MTW Annual Plan. SCCHA will obtain approval from its Board of Commissioners prior to the activity's implementation. The impact of this activity will be evaluated annually in SCCHA's MTW Report.

2019-4: Streamlining the Lease-Up Process (Proposed Activity)

Description of MTW Activity

SCCHA proposes to revise its lease-up process in order to alleviate the delays associated with the processing and completion of the Request for Tenancy Approval (RFTA) packet, tenancy addendum, and lease. The standard form documents, especially Form HUD-52517 and the information that is required to be in the lease, can be confusing to owners and tenants alike.

SCCHA's Customer Service Initiative program was started in FY2016 in order to better understand critical issues facing tenants, owners, and prospective owners. Owners specifically singled out the RFTA process as source of frustration. In particular, standard Form HUD-52517 was identified as a significant hurdle. The standard form requires owners to fill in information which is already obtained elsewhere, thus being redundant, and also must match exactly with terms in the lease. Any mismatch, no matter how insignificant, results in delays as staff must then confer with the owner in order to rectify the mistake. In addition to being redundant, much of the information obtained by HUD-52517 is not necessary for SCCHA, since utility allowances are not included in rent calculation (Activity 2014-4).

This activity seeks to alleviate the aforementioned concerns by waiving 24 CFR §982.162 and §982.308 as necessary to change the requirement of using Form HUD-52517 and to simplify and streamline what constitutes an approvable lease.

Relation to Statutory Objectives

The proposed activity addresses the statutory objective of increasing available housing choices to participants by eliminating duplicative and redundant requirements in the lease-up process, which has been identified in surveys as a key factor which discourages owners from renting to Section 8 tenants.

Anticipated Impact of the Activity

SCCHA anticipates that this activity will improve customer service and communication between SCCHA and its participating owners and reduce the time necessary for the completion of the RFTA and lease up processes. This will in fact allow for an increase in housing choices for Section 8 tenants by allowing for the retention of current owners as well as potentially attracting new owners to the program.

Anticipated Schedule for Achieving the Stated Objectives

This activity is anticipated to be implemented immediately upon approval.

Proposed Baseline, Benchmarks, Metrics and Data Collection

Data related to this activity will be collected and retrieved annually from the Agency's electronic database.

As this activity is implemented, SCCHA may revise the activity's metrics and further quantify and refine its performance baselines and benchmarks.

Activity 2019 - 4: Streamlining the Lease-Up Process				
Unit of Measurement	**Baseline**	**Benchmark**	**Projected Outcome**	**Benchmark Achieved?**
HC #1: Additional Units of Housing Made Available				
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase)	0	TBD	N/A	N/A

Authorization for the Activity

The proposed activity is authorized in SCCHA's MTW Agreement at Attachment C, Paragraph D(2)(b) and waives certain provisions of Sections 8(o)(7) and 8(o)(13) of the 1937 Act and 24 CFR 982.308, 982.451 and 983 Subpart E as necessary to implement SCCHA's MTW Plan. This authorization is necessary in order to waive the requirement of using form HUD-52517, and the information and documents which are required to be in an approved lease between a Section 8 participant and owner.

Rent Reform Impact Analysis, Hardship Case Criteria, Annual Reevaluation and Transition Period

This activity does not qualify as a Rent Reform Initiative.

This activity was made available for public review and included as a proposed activity in the public hearing held for the FY2019 MTW Annual Plan. SCCHA will obtain approval from its Board of Commissioners prior to the activity's implementation. The impact of this activity will be evaluated annually in SCCHA's MTW Report.

IV. Approved MTW Activities (HUD Approval Previously Granted)

To date, SCCHA has had 41 activities approved by HUD. Of these, nine were closed out. The first four numbers of each activity signify the fiscal year in which each activity was approved. Except where indicated in the activity status explanation, SCCHA does not anticipate any changes or modifications to the activities during the Plan year.

Implemented Activities

2009-1: Reduced Frequency of Tenant Reexaminations (amended in FY16)

This activity, originally implemented in 2009, reduces the frequency of participant reexaminations in the voucher program. Participants with a fixed income are reexamined every three years and participants with a non-fixed income are reexamined every two years. In FY2015, SCCHA added an amendment to this activity to include its four public housing units under the new reexamination schedule. By including its public housing units under the modified reexamination schedule, SCCHA continues to recognize administrative streamlining and labor savings for both its Section 8 and 9 programs. In FY2016, SCCHA created its own in-house form Release of Information, to replace the standard HUD Form 9886.

There are no changes to the activity's metrics, baselines, or benchmarks. SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2009-2: Expediting the Initial Eligibility Income Verification Process

This activity, implemented in FY2009, extends the timeframe of the application documents window from 60 days to 120 days.

Extending the documentation timeframe continues to provide administrative relief, both to applicants and to SCCHA. With this activity, applicants do not need to continually provide updated documentation if the previously provided information becomes too old (dated older than 60 days) before voucher issuance. SCCHA continues to utilize this activity.

There are no changes to the activity's metrics, baselines, or benchmarks. SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2009-5: Exploring New Housing Opportunities for the Chronically Homeless

The Chronically Homeless Direct Referral (CHDR) program was originally implemented in FY2009 and direct referrals of chronically homeless applicants began in FY2011. The CHDR program increases housing choices and mobility by assisting the homeless population through a targeted process, different than the standard voucher waiting list system. Following a housing-first model, identified chronically homeless families not on the voucher waiting list are referred for tenant-

based housing assistance and connected to case management services with local service providers. The CHDR program continues to be a valuable community housing resource.

There are no changes to the activity's metrics, baselines, or benchmarks. SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2009-8: 30-Day Referral process for Project-Based Vacancies

This activity was implemented in FY2010, and allows owners to directly refer applicants after 30 days of unsuccessful attempts to fill the Project-Based Voucher (PBV) unit using referrals from the SCCHA waiting list. This activity reduces the vacancy time for owners and the resultant loss in money thus ensuring the continuation of the PBV contract and the affordability of the units for low income households. SCCHA continues to utilize this activity.

There are no changes to the activity's metrics, baselines, or benchmarks. SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

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

This activity, first implemented in 2010, allows SCCHA to utilize the owner-provided Tenant Income Certification (TIC) form required under the Low Income Housing Tax Credit (LIHTC) Program as its sole method for verification of the family's income and assets when filling PBV vacancies for tax credit units. Prior to implementation, households selected to fill a PBV unit that utilized tax credits had to complete initial eligibility calculations under both the Federal LIHTC regulations (Section 42 of the IRS Code) and the Section 8 PBV regulations (24 CFR 5.657, 5.659). SCCHA currently uses property-owner TIC documentation for initial eligibility and at each regularly scheduled reexamination to verify income and family composition.

There are no changes to the activity's metrics, baselines, or benchmarks. SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2009-11: Project-Base 100% of Units in Family Projects

This activity was implemented in FY2010, and allows SCCHA to project-base more than 25% of the units in an existing building in multi-family complexes without requiring participation in supportive services. Although supportive services are provided and families must be made aware of and encouraged to participate in these services offered by owners, participation is not mandatory. The activity increases housing choices for low-income families by making the units more attractive to families who may choose to not accept or do not need supportive services. It continues to reduce the administrative burden by removing the compliance monitoring that the Agency would need to do for families living in the "excepted" units (i.e. units above the 25% cap).

SCCHA has project-based all family public housing projects eligible for this activity. Supportive services remain available on-site for four previously project-based family projects (Eklund I, Miramar Way, Julian Gardens, and Lucretia Gardens).

SCCHA intends to expand this activity beyond existing buildings to include all housing projects that make supportive services available, without requiring participation, to all assisted families in the project.

There are no changes to the activity's metrics, baselines, or benchmarks with regard to metric HC #4. However, as part of the expansion of this activity to include all housing projects, SCCHA is proposing the addition of metric HC #1.

Activity 2009 - 11: Project – Base 100% of Units in Family Projects				
Unit of Measurement	**Baseline**	**Benchmark**	**Projected Outcome**	**Benchmark Achieved?**
HC #1: Additional Units of Housing Made Available				
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase). These units serve families	0	162	162	N/A

2009-13: Combined Waiting List for the County of Santa Clara and the City of San José

In 1976, SCCHA signed an agreement to administer the Housing Choice Voucher program on behalf of the City of San José. This agreement allows SCCHA to operate under one Annual Plan, one Administrative Plan, and one combined MTW plan for both housing authorities. In accordance with this agreement, in FY2009, this activity was implemented to permit SCCHA to waive regulation 24 CFR 982.404(f), and to continue to operate one combined waiting list for both the County of Santa Clara and the City of San Jose. This activity allows SCCHA to operate a joint waiting list for the Housing Choice Voucher (HCV) and the Project Based Voucher (PBV) Programs. SCCHA continues to utilize this activity.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2009-14: Payment Standard Changes Between Regular Reexaminations (Amended in FY14)

This activity, implemented in FY2010, allows SCCHA to effectuate an immediate change in voucher size and its corresponding payment standard when changes in family composition or SCCHA's subsidy size policy occur between regular reexaminations. If the application of the new payment standard results in a decrease in the tenant's rent portion, the interim reexamination effective date will be the first of the month following the change. If the application of the new

payment results in an increase in the tenant's rent portion, the interim reexamination effective date will be the first of the month following a 30-day notice to the tenant and owner. This activity continues to result in Housing Assistance Payment (HAP) cost savings by enabling the new payment standards to take effect at the time of an interim reexamination rather than at the next regular reexamination. SCCHA continues to utilize this activity.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2010-2: Excluding Asset Income from Income Calculations for Families with Assets Under $50,000

SCCHA no longer calculates income received from family assets under $50,000. Since implementation in FY2010, SCCHA has reduced administrative costs through this activity. SCCHA continues to save costs of staff time previously spent on this task. SCCHA continues to utilize this activity.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2010-3: Applying Current Increased Payment Standards at Interim Reexaminations

This MTW activity allows the application of the current payment standard (if the payment standard has increased since the family's last regular reexamination) to the rental assistance calculation at interim reexaminations. Since implementation in FY2010, SCCHA has met the statutory objective of reducing administrative costs and increasing housing choice for low-income families. SCCHA has realized savings in staff hours and cost of tasks. SCCHA used this activity during FY2017 when the payment standard was raised on January 1, 2017. SCCHA reported on the outcomes in its FY2017 MTW Report. SCCHA continues to utilize this activity.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2010-4: Allocating Project-Based Vouchers to SCCHA-Owned Projects Without Competition

This MTW activity was implemented in 2011, and allows the Agency to select SCCHA-managed housing for project-based assistance without a competitive process, saving both staff time and other costs that would be related to a competitive process. As a result of this activity, SCCHA is able to cost-effectively and efficiently ensure that these project based units are available. SCCHA

continues to utilize this activity.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2011-1: Streamlined Approval Process for Exception Payment Standard for Reasonable Accommodation - HCV

This activity, implemented in FY2011, allows SCCHA to approve any requests for an exception payment standard above 110 percent (but not to exceed 120 percent) of the published Fair Market Rent (FMR) as a reasonable accommodation for persons with disabilities. This activity continues to improve SCCHA's responsiveness to the needs of families with members who have disabilities, which provides increased housing choices by enabling them to secure an accessible unit more expeditiously.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2011-2: Simplify Requirements Regarding Third-Party Inspections and Rent Services

SCCHA implemented this activity in FY2011 in order to waive the regulatory requirement in which HUD must approve a designated, qualified independent agency to conduct Housing Quality Standards (HQS) inspections and rent reasonableness services for SCCHA-owned units. The qualified independent agency conducts both initial and regularly scheduled HQS inspections, as well as rent reasonable services for initial contracts and requested rent adjustments for SCCHA-owned or -controlled properties. In addition, this activity has allowed SCCHA to waive the second part of the HUD regulation that requires the independent agency to supply copies of each inspection report and rent reasonableness determination to the HUD field office. SCCHA continues to realize the ongoing benefits associated with reduced costs and administrative streamlining related to this activity.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2012-2: Minimum Two-Year Occupancy in Project-Based Unit

The purpose of the activity is to enhance the occupancy stability in the PBV program, which will result in reduced staff time spent processing PBV move-outs and vacancy outreach. Project-based participants are required to remain in their PBV units for a minimum of two years prior to becoming eligible to request a tenant-based voucher to move with continued assistance. The

activity does not apply to families: (1) with an approved reasonable accommodation that requires them to move; (2) who experience a change in family composition that affects unit size; (3) who present other compelling reasons to move out; or (4) who request a move under the Violence Against Women Act (VAWA).

In November 2014, SCCHA began implementing this activity. SCCHA created its own PBV Statement of Family Responsibility and PBV Tenancy Addendum forms to replace the HUD forms. SCCHA versions remain the same as the HUD versions except for the stipulation on the two-year PBV residency requirement. SCCHA continues to utilize this activity.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2012-3: Create Affordable Housing Acquisition and Development Fund

This activity, implemented in FY2012, allows SCCHA to use MTW funds to pursue opportunities to build new affordable rental housing units through the acquisition of existing land and/or funding the development of units for new construction or rehabilitation.

In FY2019, SCCHA intends to use this activity to acquire parcels of land using MTW funds to develop new affordable housing units. SCCHA's use of this activity and the amount of MTW funds spent will be further reported in the FY2019 MTW Report.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2012-4: Create Affordable Housing Preservation Fund for SCCHA and Affiliated-Owned Properties

This activity, implemented in FY2012, allows SCCHA to use MTW funds to assist in its preservation activities and to support the asset management staff that has oversight of the affordable units. The preservation activities include using MTW funds for expenses incurred in rehabilitating the units to extend their useful life and affordability, or to acquire the property or limited partner's interest at the end of the tax credit period to maintain the asset's affordability into the future, or pay off existing loans in order to leverage additional financing. SCCHA continues to utilize this activity.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2013-1: Elimination of the Earned Income Disallowance (EID)

This activity eliminates the HUD-mandated Earned Income Disallowance (EID) calculation. With federal sequestration in FY2013, SCCHA placed utilization of this activity on hold. The agency implemented this activity in early FY2015. Since implementation, this activity continues to decrease staff time required to calculate a family's rent portion and reduces errors associated with calculating potential income exclusions. SCCHA continues to utilize this activity.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2014-4: Increased Tenant Contribution – Up To 35% of Gross Income

This activity, applicable to both the voucher and public housing programs, simplified the calculation of Total Tenant Payment (TTP) by removing all standard deductions and allowances and calculating a TTP between 30 and 35 percent of the gross monthly income or $50 (minimum rent), whichever is higher. The activity, proposed and implemented in FY2014, also eliminated the inclusion of a utility allowance in the tenant rent calculation. The initial implementation of this activity increased the TTP to 35 percent as a cost-saving measure in response to diminished funds resulting from federal sequestration. In September 2014, the TTP was reduced to 32 percent. SCCHA re-proposed this activity in FY2015 to include its four public housing units. This activity provides significant costs savings to SCCHA by reducing the amount of Housing Assistance Payment (HAP) the Agency pays. Additionally, the simplified calculation reduces staff hours by streamlining this task. SCCHA continues to utilize this activity.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2015-2: Project-Based Voucher Inspection Self-Certification

This activity was approved and implemented in FY2015 and allows Project Based Voucher owners and tenants to self-certify the correction of reported HQS deficiencies within the 30-day timeframe. This activity waives the regulatory requirement for only non-life threatening deficiencies. This activity reduces expenditures by eliminating the scheduling and conducting of a recheck inspection to determine if necessary repairs were made. SCCHA continues to utilize this activity.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2016-2: Streamlining of PBV Selection Requirements

This activity was implemented in FY2018 and eliminates certain requirements in selecting Project-Based Voucher (PBV) proposals by expanding the definition of a competitive selection process to include any form of open public solicitation or invitation process conducted by a Federal, State, or local government, where a proposal is selected subject to funding availability; waiving HUD's requirements that the PHA must select proposals within three years of the earlier selection date by allowing proposals within fifteen years of the selection date; and allowing earlier competitive selection proposals to consider that the project would require rental assistance, including PBV assistance. SCCHA continues to utilize this activity.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2017-1: Phasing in a Subsidy Standard Change

This activity, implemented in FY2017, allowed SCCHA to change the agency's subsidy standard policy to two persons per bedroom. Under this activity, if a household's voucher size changes due to the subsidy size change, the new voucher size does not take effect for households in a unit under a Housing Assistance Payment contract until (1) the family moves; or (2) the rental market vacancy rate remains five percent or higher for at least six months, whichever occurs first. SCCHA continues to utilize this activity.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2017-2: Special Needs Population Direct Referral Program

This activity creates an exception to Section 8 waiting list regulations to create a direct referral program for certain special needs populations who are not best served by traditional waiting lists – defined as persons with disabilities who experience multiple barriers to housing and who require supportive services, including case management, psychotherapy, or counseling in order to obtain and/or maintain permanent housing.

SCCHA selected the Office of Supportive Housing of Santa Clara County as the partner who will provide case management and referral of prospective tenants. SCCHA is currently finalizing the partnership with the County's Office of Supportive Housing for referrals and supportive housing. SCCHA anticipates utilizing this referral source to fill units during FY2019.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2017-3: Landlord Initiatives

This activity authorizes SCCHA to administer vacancy payments to Section 8 landlords who re-rent their unit to SCCHA program participants.

In March 2017, SCCHA implemented Activity 2017-3, which provides vacancy payments for owners who re-rent their unit to a Section 8 participant. This activity increases the number of HCV units that are re-leased to HCV participants, ensuring the long-term viability of units that will be available to HCV low-income tenants and provides an incentive for owner participation in the HCV program. SCCHA continues to utilize this activity.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA is expanding the Landlord Initiatives and is re-proposing the Initiative to HUD in this FY2019 MTW Plan.

Activities Not Yet Implemented

2014-1A: Focus Forward Pilot Program Part I – Case Management, Incentives and Escrow

The Focus Forward Program (FFP) is an expanded version of the traditional FSS program, and will support HCV participants in increasing and sustaining a higher level of self-sufficiency. Originally proposed in the FY2014 MTW Plan, SCCHA re-proposed the FFP with a more robust case management and ongoing program-incentives component. The enhanced FFP will promote accountability and motivate participants to pursue higher education, develop 21st century job skills and set/achieve realistic self-sufficiency goals.

SCCHA is currently reviewing its implementation plans for this activity. SCCHA is also carefully evaluating similar MTW activities at other public housing authorities. At this point, it is unlikely to be implemented in FY2019.

2014-1B: Focus Forward Part II – Time Limit and Rent Structure

Families that are currently on the SCCHA waiting list will have the option to enroll in the FFP, with the condition that their assistance will have a ten-year time limit. In addition to the ten-year time limit, and to prepare participants for transitioning off of assistance, SCCHA has designed an alternative rent calculation for the FFP in which participants will take on more fiscal responsibility for their rental payments as they progress through the program.

SCCHA is currently reviewing its implementation plans for this activity. SCCHA is also carefully evaluating similar MTW activities at other public housing authorities. At this point, it is unlikely to be implemented in FY2019.

2014-2: Eliminate Requirement to Re-determine Rent Reasonableness when HUD Decreases Fair Market Rents (FMRs)

This activity eliminates the HUD requirement to re-determine the rent reasonableness of affected units within 60 days of the contract anniversary date when HUD reduced FMRs by 10% or more. SCCHA expects that it will save money on staff time required for FMR analysis, comparison database upkeep, and reexamination processes. SCCHA has yet to implement this activity because HUD has not decreased FMRs since the activity was approved. SCCHA plans to implement this activity upon the event that HUD reduces FMRs by 10% or more.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2016-1: Restriction on Head of Household Changes

This activity encourages self-sufficiency by allowing the Head of Household (HoH) to leave the program and transfer his or her voucher to a remaining non-elderly, non-disabled family member only if that family member joins SCCHA's Focus Forward Program (FFP). The new HoH who enrolls in the pilot FFP has the opportunity to work with assigned case managers and set economic self-sufficiency goals.

This will be implemented when SCCHA implements the FFP. SCCHA will revise the activity's metrics to include HUD standard metrics SS#6 and SS#7 at that time.

2017-4: Setting the Payment Standards Above 110 Percent of HUD Fair Market Rents (Originally Proposed as Activity 2017-1)

This activity provides the flexibility to set SCCHA payment standards higher than 110 percent of the Fair Market Rent (FMR), if necessary, without HUD approval. This activity will give SCCHA participants the ability to be more competitive in the high priced and volatile Santa Clara County rental market.

This activity is intended to increase the probability of participants securing a rental unit in a tight, high-cost rental market. Currently, Santa Clara County is experiencing a stabilizing of the rental market such that SCCHA has not needed to implement this activity. SCCHA may implement this activity when the Santa Clara County housing market experiences another surge in cost.

There are no changes to the activity's metrics, baselines, or benchmarks.

SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations during FY2019.

2018-1: Strengthening Partnerships Through Capacity Building

This activity allows SCCHA to provide funds, not to surpass $100,000, that can be utilized to support local service providers in building capacity, specifically geared toward service providers that offer family self-sufficiency services (i.e. job readiness programs, educational resources, etc.) to the community. The fund would allocate resources to designated partner agencies that make a commitment to providing services to individuals and families enrolled in SCCHA's pilot Focus Forward Program (FFP).

This will be implemented when SCCHA implements the FFP. SCCHA will revise the activity's metrics to include HUD standard metrics SS#5 and SS#8 at that time.

Activities On Hold

Activity 2010-5: Assisting Over-Income Families Residing at SCCHA-owned Project-Based Voucher Properties

This activity waives PBV regulations relating to preference for in-place families who reside in former public housing in order to continue to commit tax-exempt bonds and tax credits to the disposed public housing properties. Families with income below the PBV limit, but above the tax credit limit, will receive Section 8 voucher and relocation assistance. This activity helps maintain the affordability of units that would otherwise become unaffordable to very low income families by applying tax credits in unison with PBV assistance. It also increases housing choices for low-income families by preserving and improving the affordable housing stock in Santa Clara County.

Since this activity was implemented in 2011, SCCHA has had no need to use this waiver as no families have exceeded the income threshold. Only one public housing project (Deborah Drive) remains that could potentially benefit from this activity and there are no plans at this time to dispose of this property. Therefore, SCCHA has placed this activity on hold indefinitely but could re-implement when the last public housing project is eliminated.

There are no changes to the activity's metrics, baselines, or benchmarks. SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations.

Activity 2012-5: Expand Tenant Services at SCCHA- or Affiliate-owned Affordable Housing Properties

This activity, which was implemented in FY2012, allowed SCCHA to use its MTW funding flexibility to expand its provision of programs and services for tenants living in SCCHA- or affiliate-owned non-Section 8/9 affordable rental properties. SCCHA anticipated that tenants would gain some or all of the necessary skills to address daily living requirements, maintain housing, and, for work-able residents, possibly re-enter or move up in the work force.

SCCHA placed this activity on hold in FY2016 because the Agency did not (and does not expect to) utilize MTW funds for programs and services expansions at its non-Section 8/9 rental properties. Therefore, there is no implementation timeline. If non-MTW funding sources are exhausted, SCCHA will re-implement this activity.

There are no changes to the activity's metrics, baselines, or benchmarks. SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations.

Activity 2014-3: Freeze on Contract Rent Increases

Implemented in FY2014, this activity imposed a freeze on any owner requested rent increases for one year effective September 2013 through August 2014. Effective September 1, 2014, SCCHA lifted the freeze and accepted owner requested rent increases again. This activity helped reduce costs by controlling increases to Housing Assistance Payments (HAP) while reducing labor

costs, but had negative effects on owner retention. At this time there are no plans to re-implement this activity. Subsequent freezes on owner requested rent increases are subject to SCCHA's Board of Commissioners' approval and are limited to a one-year term.

There are no changes to the activity's metrics, baselines, or benchmarks. SCCHA does not anticipate any non-significant changes or modifications to this activity and its authorizations.

Closed Out Activities

Activity	Why the Activity was Closed	Year Closed
2009-3 Reduced Frequency of Inspections	Effective July, 2014, Public Housing Agencies (PHAs) can inspect units during the term of the Housing Assistance Payment (HAP) contract at least biennially instead of annually. There is no longer a need to waive HUD regulations to conduct biennial inspections.	This activity was closed out in **FY2015**
2009-4 Timeline to Correct HQS Deficiencies	Handhelds are now utilized by the inspections team at every regularly scheduled inspection. These devices are capable of recording the non-life threatening deficiency directly into the newly implemented software, which then immediately generates the deficiency notification letter. There is no longer a lag time between the date of the inspection and the date of the letter.	This activity was closed out in **FY2012**
2009-6 20% Sample Inspections Annually for PBV Units	After the approval of this activity, HUD issued PIH Notice 2008-14, in which HUD stipulates that a PHA may now renew or extend Project-Based Certificate Housing Assistance Payment (HAP) contracts as Project-Based Voucher HAP contracts in accordance with the regulations governing the PBV program at 24 CFR Part 983. This activity was never implemented.	This activity was closed out in **FY2009**
2009-7 Project-Based Unit Substitution	After the approval of this activity, HUD issued PIH Notice 2008-14, in which HUD stipulates that a PHA may now renew or extend Project-Based Certificate Housing Assistance Payment (HAP) contracts as Project-Based Voucher HAP contracts in accordance with the regulations governing the PBV program at 24 CFR Part 983. Therefore, this activity was never implemented.	This activity was closed out in **FY2009**
2009-10 Selection of SCCHA-owned Public Housing Projects for PBV without Competition	SCCHA utilizes MTW Activity 2010-4, which allows the Agency to select any of its properties for PBV assistance without a competitive process, including public housing units. Therefore, this activity is no longer necessary.	This activity was closed out in **FY2015**
2009-12 Adopt Investment Policies	SCCHA's Board of Commissioners annually adopts investment policies in accordance with the California Government Code (CGC) Sections 5922 and 53601. California law, which SCCHA cannot waive, is consistent with and, in fact, more restrictive than the provisions of federal regulations Section 6 (c) (4) of the 1937 Act and 24 CFR 982.156. Therefore, this activity was never implemented.	This activity was closed out in **FY2009**

Activity	Why the Activity was Closed	Year Closed
2010-1 Eliminating 100% Excluded Income from the Income Calculation Process	With the publication of PIH Notice 2013-4, issued January 28, 2013, the verification and calculation of 100% excluded income is no longer required. Therefore, SCCHA eliminated this activity in FY2013. This activity saved labor time and costs.	This activity was closed out in **FY2013**
2012-1 Create Standard Utility Allowance Schedule	Approved and implemented Activity 2014-4, simplifies the rent calculation method also includes the elimination of utility allowances. Because of Activity 2014-4, MTW Activity 2012-1 is no longer necessary and was closed out prior to implementation.	This activity was closed out in **FY2013**
2015-1 Using UPCS or Local Inspection Standards to Determine Housing Quality Standards	On June 25, 2014, HUD published in the Federal Register that, effective July 1, 2014, "A PHA may comply with the biennial inspection requirement through reliance upon an inspection conducted for another housing assistance program. If a PHA relies on an alternative inspection to fulfill the biennial inspection requirement for a particular unit, then the PHA must identify the alternative standard in its administrative plan." Therefore, this activity was closed without implementation because HUD's directive superseded this activity.	This activity was closed out in **FY2015**

V. MTW Sources And Uses of Funds

The information reported in Section 5 serves as a placeholder until the FY2019 budget is approved by the SCCHA Board of Commissioners. At the time the FY2019 budget is approved, SCCHA will update Section V. and re-submit the Plan to HUD.

V.1.Plan.Sources and Uses of MTW Funds

A. MTW Plan: Sources and Uses of MTW Funds

Estimated Sources of MTW Funding for the Fiscal Year 2019-Traditional Activities

PHAs shall provide the estimated sources and amounts of MTW funding by FDS line item.

Sources		
FDS Line Item	**FDS Line Item Name**	**Dollar Amount**
70500 (70300+70400)	Total Tenant Revenue	$21,696
70600	HUD PHA Operating Grants	$299,210,185
70610	Capital Grants	$1,371,894
70700 (70710+70720+70730+70740+70750)	Total Fee Revenue	$0
71100+72000	Interest Income	$450
71600	Gain or Loss on Sale of Capital Assets	$0
71200+71300+71310+71400+71500	Other Income	$153,365
70000	**Total Revenue**	**$300,757,590**

Note 1 - Source In Analysis :

70600-HUD PHA Operating Grants $299,210,185:
This FDS line represents the sum of the following: (1) Public Housing Operating Subsidy Income $17,280 and (2) Section 8 MTW Admin Fee & HAP Earned $299,192,905.

7120+71300+71310+71400+71500 - Other Income $153,365:
This FDS line represents the sum of the following: (1) Land lease $116,000, (2) Ground lease $13,865 , (3) Laundry receipts $400 and (4) Other miscellaneous income $23,100.

Estimated Uses of MTW Funding for the Fiscal Year 2019-Traditional Activities

PHAs shall provide the estimated uses and amounts of MTW spending by FDS line item.

Uses		
FDS Line Item	**FDS Line Item Name**	**Dollar Amount**
91000 (91100+91200+91400+91500+91600+91700+91800+91900)	Total Operating - Administrative	$23,293,159
91300+91310+92000	Management Fee Expense	$0
91810	Allocated Overhead	$0
92500 (92100+92200+92300+92400)	Total Tenant Services	$104,336
93000 (93100+93600+93200+93300+93400+93800)	Total Utilities	$20,372
93500+93700	Labor	$0
94000 (94100+94200+94300+94500)	Total Ordinary	$47,647
95000 (95100+95200+95300+95500)	Total Protective Services	$250
96100 (96110+96120+96130+96140)	Total insurance Premiums	$188,477
96000 (96200+96210+96300+96400+96500+96600+96800)	Total Other General Expenses	$867,871
96700 (96710+96720+96730)	Total Interest Expense and Amortization Cost	$43,150
97100+97200	Total Extraordinary Maintenance	$0
97300+97350	Housing Assistance Payments + HAP Portability-In	$248,609,940
97400	Depreciation Expense	$73,516
97500+97600+97700+97800	All Other Expenses	$0
90000	**Total Expenses**	**$273,248,718**

Describe the Activities that Will Use Only MTW Single Fund Flexibility
The MTW Agreement allows SCCHA to combine public housing operating and capital funds, including development and Replacement Housing Factor (RHF)/Demolition and Disposition Transition Fund (DDTF) funds, provided under Section 9, and tenant-based voucher program funds provided under Section 8 of the 1937 Act into a single, authority-wide funding source. **In FY2019, SCCHA plans to continue to use MTW Single Fund Flexibility to pay for housing search services for participants who are experiencing challenges in finsing a rental unit. The Agency also plans to pursue several projects led by our Information Technology Department, such as setting up a SharePoint system, upgrading our scanning system and expanding e-signature capabilities. In addition, the Agency is in the initial stages of re-opening our waiting list; the opening will likely occur in FY2019.**

Note 2 - Source Out Analysis :

910000 - Total Operating - Administrative $23,293,159:
This FDS line represents operation , administrative and allocated overhead/support department costs.

91810 - Allocated Overhead - $0:
Per conversation with HUD Analyst Bella Young in 2014, the Housing Authority is not utilizing the true COCC model. Therefore, we report our Indirect Allocation costs in FDS line 91900 (Other).

96100-Total Insurance Premiums - $188,477:
This FDS line is consisted of $34K liability insurance and $155K worker's compensation insurances.

96000 - Total Other General Expenses - $867,871:
This FDS line is comprised of (1) $802K compensated (vacation/sick) absences, (2) $64K admin fee port out and (3) $2K payment In Lieu of Taxes, and (4) $80 Property Management Incorporation 401K contribution expenses

97300+97350 - Housing Assistance Payments + HAP Portability-In $248,609,940:
This FDS line represents the total HAP paid out.
HAP Portability -It is not budgeted in FY2018 as HACSC is absorbing all future incoming portability.

Note 3 - Net Balance Analysis :

For Fiscal Year 2018, the net reserve balance of $27,508,872 (MTW funding) will be used to fund the following :

I - Asset Management (Local Program)-Transfer of $1,169,163: In accordance with Non-Traditional MTW Activity 2012-4, established under Preservation Fund to provide funding for activities that preserve stable, quality affordable housing to people with low and moderate incomes. The transfer of $1,169,163 is for subsidizing the expenditures of the Asset Management and Other Preservation Activities of qualifying low-income housing units of properties that are owned and operated by SCCHA and/or affiliated entities.

II- Activity 2012-3- Acquisition & Development Funds - $1.4M: SCCHA anticipates the use of $1.4M from Public Housing Capital Grant as an additional source of funds for land purchase to develop multifamily properties: Race Street Family and Race Street Senior.

III-Activity 2012-3-Acquisition & Development Funds - $46.65M: SCCHA anticipates the use of $46.65M to acquire and develop the following: (1) Buena Vista Mobile Home Park $26.15M,(2) Race Street Senior & Family $14.5M, (3) Park Avenue Senior $3M and (4) Predevelopment and land holding costs of East Santa Clara Street $3M.

IV - MTW Reserves - $0: $27.5 fiscal year reserves will be used for MTW activities outlined above and an additional $21.75M of MTW reserves held at HUD is anticipated to be drawn down to meet the above obligations.

Finally, we request to add balance sheet FDS line items to report capital needs in the total uses of funds. In addition, we note that, in our opinion, depreciation expenses are not required in the Sources and Uses report because they are not a source of cash; but instead they should have a corresponding FDS line for capital expenditures.

V.2.Plan.Local Asset Management Plan			
B. MTW Plan: Local Asset Management Plan			
Is the PHA allocating costs within statute?	Yes	or	
Is the PHA implementing a local asset management plan (LAMP)?		or	No

If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. The narrative shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.

Has the PHA provided a LAMP in the appendix?		or	No

SCCHA does not have a Local Asset Management Plan.

VI. Administrative

A. Board Resolution Adopting the 2019 Annual MTW Plan Certification of Compliance

The Board Resolution approving the FY2019 MTW Plan is attached as Appendix One to this document.

B. Public Review Process for the 2019 Annual MTW Plan

SCCHA's FY2019 MTW Annual Plan was made available for public review from February 20, 2018 through March 21, 2018. In addition to SCCHA's regular Board of Commissioner's Meetings, where the public may comment on the MTW plan, two MTW Plan stakeholders' meetings were held between October 2017 and December 2017. A total of 7 people attended these stakeholder meetings. The public hearing for the plan was held on February 28, 2018.

C. Planned or Ongoing Agency-Directed Evaluations of SCCHA's MTW Demonstration

In FY2019, SCCHA will continue to refine its approach to data gathering and monitoring of MTW activities and their impacts on stated goals and objectives. SCCHA is exploring a full-scale study and evaluation of its MTW activities.

D. Annual Statement/Performance and Evaluation Report for MTW and Non-MTW Capital Fund Grants

Statements are provided in Appendix Two.

Appendix One: Resolution No. XX

Appendix Two: Capital Improvement Program Statements