

CONTINUITY REPORT



2022 Santa Clara County
Civil Grand Jury

November 17, 2022

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INTRODUCTION

This Continuity Report, prepared by the 2022 Santa Clara County Civil Grand Jury, examines the responses from public agencies to the 2021 Santa Clara County Civil Grand Jury Final Reports. The Final Reports, with responses from the public agencies, can be found on the [Civil Grand Jury Reports Archive](#) website.

Each published report includes a list of those elected officials or departments that are required to respond to the Presiding Judge of the Superior Court within 60 or 90 days as specified per California Penal Code Section 933.

California Penal Code Section 933.05 is very specific with respect to the content of the required responses. Under Section 933.05(b), for each Finding, the response must:

1. Agree with the Finding, or
2. Disagree with it, wholly or partially, and explain why.

Similarly, under Penal code Section 933.05(b), for each recommendation, the responding party must report that:

1. The recommendation has been implemented, with a summary regarding the implemented action; or
2. The recommendation has not yet been implemented but will be implemented in the future, with a timeframe for implementation; or
3. The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a timeframe for the matter to be prepared for discussion; or
4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation.

In cases where the response stated that further work would be done, the 2022 Santa Clara County Civil Grand Jury (2022 Civil Grand Jury) requested a follow-up.

This Continuity Report summarizes the reports, key findings and recommendations, responses, and subsequent follow-ups. A summary table of the results is provided in Appendix A.

AFFORDABLE HOUSING: A TALE OF TWO CITIES – MOUNTAIN VIEW

Summary of 2021 Report

The 2021 Civil Grand Jury examined the efforts of the City of Mountain View to implement an Affordable Housing (AH) strategy. The City of Mountain View was on a path of meeting its targets (56% of AH goals as of 2019).

Four broad areas which significantly impact AH success were identified. They are:

- (i) Political and Community Support
- (ii) Proactive Planning and Effective Reporting
- (iii) Supportive Practices
- (iv) AH Financing

The 2021 Civil Grand Jury found that Mountain View has built up strong community support for AH and fostered and maintained the political will over several years to advance its goals and meet its mandates.

The City of Mountain View has systematically planned to achieve AH targets through well-coordinated regional housing plans and detailed near-term planning. Once the plans were in place, they were continually monitored and effectively communicated to the citizens. The City of Mountain View's coordinated programs enabled much shorter approval cycles. Given the cost and complexity of AH financing, Mountain View has taken a very targeted approach to build an AH fund and leverage all available State and county resources.

Key Findings

1. The 2021 Civil Grand Jury commended the City of Mountain View for prioritizing and exhibiting strong, robust, and visible support for AH and progress towards Regional Housing Needs Allocation targets, and for creating a multi-tiered communication plan that communicates the value of AH to all stakeholders and addresses their issues.
2. The 2021 Civil Grand Jury commended the City of Mountain View for its use of Precise Plans and its short-term City Strategic Planning process.
7. The City of Mountain View Planning Division's summary memo to the Mountain View City Council provided a clear, concise update on progress toward *Housing Element* goals. In addition, The City's *Annual Housing Element Progress Update* was commended for clarity and conciseness.

However, the *Annual Housing Element Progress Updates* with cover memos to the Mountain View City Council could not be found easily by the public on the City's website.

10. Developers (both for-profit and non-profit) found it useful to work with a designated individual responsible for the affordable housing target who coordinated all activities across developers, funding sources, city council, planning departments, and other stakeholders to enable progress on projects.

11. In the past decade, the City of Mountain View received substantial AH funding derived from City revenues (fees, charges to developers, etc.) and external funding. However, the City of Mountain View's fund must build reserves to keep the program solvent.

14. Relying on commercial development to fund AH had the unintended consequence of increasing the need for affordable housing.

Key Recommendations

1. No Recommendation

2. No Recommendation

7. The City of Mountain View should publish its *Annual Housing Element Updates* and the summaries (in an appropriate form) on the City's website by June 30, 2022.

10b. The City of Mountain View should identify an Affordable Housing Manager who can be responsible for the AH target and ensure coordination among stakeholders by June 30, 2022. This role should be the primary focus of this individual and should have the support of Mountain View's City Council.

11. The City of Mountain View should develop a specific Affordable Housing Funding Plan to cover its needs for the next five years by July 30, 2022.

14. By July 30, 2022, the City of Mountain View should require a Housing Impact Study in the approval process for new commercial development, informing decision-makers about how the proposed project affects the job-to-housing ratio.

Response – [City of Mountain View](#)

The City of Mountain View agreed with all the findings. (Findings 1 and 2 had no recommendation.)

7. As of March 16, 2022, previous *Annual Housing Element Updates* have been added to the City's "General Plan and Housing Element" web page, <https://www.mountainview.gov/generalplan>. The City of Mountain View will add Future *Annual Housing Element Updates* to the webpage.

10b. The Assistant Community Development Director and the Housing and Neighborhood Services Manager oversee the Housing Division and progress towards advancing the City's AH goals. The Housing Division already includes a Senior Housing Officer who is the day-to-day staff managing the City's affordable housing projects.

11. Although the City agreed with this finding, the recommendation requires further analysis.

14. The City stated that this was already implemented. Rather than require reports, the City has several policies intended to address the jobs-to-housing ratio when considering commercial development.

Follow-up

Recommendations 7, 10b, and 14 were implemented by March 2022.

The 2022 Civil Grand Jury reached out to the City of Mountain View for an update on Recommendation 11. Their response showed that they are actively progressing on this recommendation. The Mountain View City Council had a special study session on August 30, 2022, regarding an Affordable Housing Strategic Plan where staff received input from the Mountain View City Council on recommended strategies to address anticipated affordable housing needs for the next five years.

AFFORDABLE HOUSING: A TALE OF TWO CITIES – PALO ALTO

Summary of 2021 Report

The 2021 Civil Grand Jury examined the efforts of the City of Palo Alto to implement an Affordable House (AH) strategy. It was the 2021 Civil Grand Jury's opinion that Palo Alto fell short of its AH goals, achieving just over 10% of AH goals as of 2019.

Four broad areas which significantly impact AH success were identified. They are:

- (i) Political and Community Support
- (ii) Proactive Planning and Effective Reporting
- (iii) Supportive Practices
- (iv) AH Financing

According to the 2021 report, the City of Palo Alto lacks a cohesive and effective way to communicate with its citizens, and as a result has continually struggled to garner community support. Also, due to the lack of alignment on AH goals and on zoning changes AH requires, the City of Palo Alto has a variety of separate plans and policies but no coalescence around a plan that addresses the needs of affordable housing. The City of Palo Alto has struggled to build an AH fund because there have been few commercial and mixed-use developments due to lack of political and community support.

Key Findings

Because this report included two cities, findings for the City of Palo Alto began with finding 3.

3. The Palo Alto City Council has not taken a leadership role in developing community support for AH planning and projects.

4. Palo Alto City Council members do not play a strong enough leadership role in personally engaging in community education and discussion to achieve resident acceptance of affordable housing.

6. The City of Palo Alto's multiplicity of planning policies and documents creates lengthy processes and can lead to frustration for all parties, including neighborhoods and developers. The City of Palo Alto does not have a comprehensive set of plans organized by the community that includes all zoning requirements and regulations that could support AH. Current plans do not

identify where AH could be built with design and density acceptable to the City and the community.

8. Combining the City of Palo Alto's Housing Element Annual Update and Comprehensive Plan Update with one cover memo does not clearly communicate the City's progress.

9. The length of time it takes developers to get their plans approved discourages developers from proposing developments in Palo Alto.

10. Developers find it helpful to work with a designated individual responsible for the AH target and coordinate all activities across developments, funding, city council, planning departments, and other stakeholders.

12. The City of Palo Alto does not have a multi-faceted AH funding strategy that would encourage it to build more below-market housing.

13. Projects that are 100% AH rely more on scarce city funds and other resources than do mixed-use projects that combine housing with commercial space. A city-wide portfolio combining 100% AH with mixed-use projects will yield the greatest number of units and best utilize available funds.

14. Relying on commercial development to fund AH has the unintended consequence of increasing the need for AH.

Key Recommendations

3. The City of Palo Alto should research how other cities foster support for AH and develop a communication plan focused on increasing community support for AH. The plan should be developed and available by June 30, 2022.

4. The City of Palo Alto should conduct a lesson-learned analysis from the 4-year unsuccessful North Ventura Coordinated Area Planning Process. The City should create an improved process to bring residents to a shared understanding of the needs and complexities of AH development. This process should include the direct involvement of Palo Alto City leaders in community outreach. These recommendations should be completed by June 30, 2022.

6a. The City should identify, by March 31, 2022, three or four areas where significant AH can be built.

6b. The City should agree, by June 30, 2022, to task its planners with creating realistic plans for each identified area in consultation with residents and developers.

9a. Once the guidelines for developments are clearly defined, the City of Palo Alto City Council's preliminary review should be eliminated. The City should establish a schedule by June 30, 2022, to define and approve plans identified in Recommendation 6a.

9b. The City should explore combining the Planning and Transportation Commission and Architectural Board Reviews into a single review. Recommendations for changes to the planning review process should be proposed by June 30, 2022.

10a. The City should identify an Affordable Housing Manager who can be responsible for the affordable housing target and ensure coordination among the stakeholders by June 30, 2022.

12a. The City should create a plan with specific goals and timelines by July 30, 2022, to build up the AH fund, considering tools such as a business tax, document tax, bond measure, and property tax.

13. The City should include both mixed-use and 100% AH opportunities in its AH plan.

14. The City, by July 30, 2022, should require a Housing Impact Study in the approval process for new commercial development that informs the decision-makers about how the proposed project affects the job-to-housing ratio.

Response - [City of Palo Alto](#)

F3. Partially agree/partially disagree. The City of Palo Alto disagrees that the Palo Alto City Council has not taken a leadership role in developing support for AH planning initiatives and projects once they are identified. Specifically, each of the last two years, the Palo Alto City Council adopted "Housing for Social and Economic Balance" as one of its four city "Priorities." The City of Palo Alto agrees that there can be more Palo Alto City Council advocacy to initiate and solicit AH projects.

R3. The recommendation has not yet been implemented but will be implemented before the end of the 2022 calendar year.

F4. The Palo Alto City Council disagrees with this finding in that the Palo Alto City Council does play an active role in engaging the community on AH policies and projects, and data shows there is already widespread community support and acceptance of below market rate housing.

R4. This recommendation will be implemented upon completion of the North Ventura Coordinated Area Plan (NVCAP) process; however, the recommended timeline of June 2022 is premature.

F6. Partially agree/partially disagree. The City of Palo Alto agrees that it does have a multiplicity of planning processes, which may benefit from further rationalization. It is not, clear, however, if those plans are a primary planning tool to achieve more below market rate housing.

R6a. This recommendation has been implemented.

R6b. This recommendation will not be implemented because it is not warranted.

F8. Partially agree/partially disagree. Combining reports places all relevant information in one place and provides clarity to residents and decision makers, as the Housing Element is a component of the General Plan. The reports are consistent with state reporting requirements. However, it is agreed that the reports can be made more readable and summarize pertinent information to support broader public understanding of the City of Palo Alto's progress.

R8. The recommendation has been implemented with respect to publishing the latest two years of the City of Palo Alto's Housing Element Annual Update on the City of Palo Alto's website; however, the City of Palo Alto will not be separating out the Comprehensive Plan and Housing Element annual reports.

F9. Partially agree/partially disagree. The City of Palo Alto's review processing times are not anticipated to be significantly greater than other jurisdictions and typically only require review by the City of Palo Alto's Architectural Review Board.

R9a. The recommendation will not be implemented because it is not warranted.

R9b. The recommendation requires further analysis.

F10. The City of Palo Alto agrees a designated individual coordinating all AH-related activities would be helpful.

R10a. The recommendation requires further analysis.

F12. Disagree. The City of Palo Alto alleges the 2021 Civil Grand Jury was simply mistaken here; the City of Palo Alto has had such an Affordable Housing Fund for many years.

R12a. This recommendation has been implemented and is scheduled to receive further refinement later this year with a possible business tax ballot initiative.

R12b. This recommendation requires further analysis.

F13. Partially agree/partially disagree. In general, the City of Palo Alto will support as many 100% AH projects as can be funded.

R13. This recommendation has been and is being implemented.

F14. Agree. Using the American Community Survey 5-year jobs data and the Adjusted Keyser-Marston model, the cities of Palo Alto and Mountain View together created demand for 4,000 AH units from 2015-2019 --- 3,400 more than the 596 units the City of Mountain View and the City of Palo Alto actually permitted.

R14. This recommendation has been and is being implemented as it relates to the City of Palo Alto's Planned Home Zone application process.

GAVILAN COLLEGE MEASURE X BOND PROGRAM: OVERSIGHT SHORTCHANGED

Summary of 2021 Report

The 2021 Civil Grand Jury studied the creation, management, and execution of voter-approved educational construction bond measures. Educational bonds are an essential mechanism that community college districts use to improve aging infrastructure or expand their campuses to support students. Bonds finance major construction projects that last for generations but would be nearly impossible for the institution to afford with operating funds. In return for voters passing an educational bond, the Gavilan Joint Community College District (District) commits to provide the public with assurances, oversight, and deliverables written into the ballot measure and prescribed by California law.

An Independent Citizens' Bond Oversight Committee (Oversight Committee) is a fundamental accountability mechanism. While each member brings expertise and life experience, they may lack relevant skills that would be valuable and could be developed or augmented with additional training. More importantly, when Oversight Committee membership falls below the minimum requirement, it is the taxpayer who may not be represented by an essential and independent voice. It is also in the best interest of the district to ensure the Oversight Committee is equipped with the technical and administrative support required for it to be effective and maintain the public's trust.

Key Findings

1. The District did not fulfill its responsibility to provide technical support to the Oversight Committee regarding conflict of interest requirements. Although the bylaws reference the Oversight Committee's ethical responsibilities, the requirements are written in legal terminology. The District did not adopt a Conflict of Interest Policy for the Oversight Committee as suggested by referencing Attachment A in the adopted bylaws, and Attachment A is not included in the link to the bylaws on the Measure X website: <https://gavilanmeasurex.org/committee-bylaws>, [linked here](#).
2. Current Oversight Committee membership falls below the minimum required by law. Failing to maintain members in the necessary affiliation category can create vacancies where vital constituencies' voices may not be heard or adequately represented.
3. The District-approved Oversight Committee bylaws contain inconsistent and incomplete term limit provisions specified in the California Education Code. The District included a bylaw authorizing members to serve beyond the expiration of their third term while waiting for a

replacement to be appointed. The District did not comply with the additional term limit provisions associated with the member serving in the student affiliation category. The student member may only serve six months after graduation with the specific approval of the Board of Trustees.

4. There are areas in which the Oversight Committee might be perceived as having its independence questioned or compromised about the administrative and technical support it receives through the District's contractor.

5. The "Measure X Bond Newsletter" has been dormant despite the District inviting members of the public to sign up for program updates. The newsletter service is identified in a contract agreement but has not been posted since the September 2019 issue reflected on the Measure X website.

6. The District does not provide Oversight Committee members with a clear, direct, or transparent way of receiving electronic communications from the public. There is a standing agenda item for this type of direct communication, but an effective accompanying tool still does not exist for Oversight Committee members to receive and respond to this type of communication.

7. The District did not follow established norms and protocols for posting meeting notifications and announcements associated with canceled meetings. Additionally, the District has inhibited the public's ability to access agendas and meeting materials because the link to the agenda is unclear and the multiple steps required to navigate to the meeting materials are unduly complicated.

8. District orientation provided to the Oversight Committee does not adequately prepare members to carry out their roles and responsibilities effectively. The District offers a general overview using reference materials. More in-depth and specialized training is needed to ensure committee members are equipped to fulfill their oversight responsibilities.

9. The District did not provide the Oversight Committee with any information about initiatives to maximize bond revenues through cost-saving measures such as joint-use facilities. As a result, the Oversight Committee could not communicate those initiatives to the public, which led to the mistaken impression that none were considered.

10. The District did not provide the Oversight Committee with timely, certified final financial and performance audits to review. The District's 10-month drawn-out process put the Oversight Committee in the position of issuing an annual report with a constitutionally mandated compliance statement using draft audits. Those draft audit reports remain on the Measure X website. The draft audits lack a date and auditor's signature and therefore are not certified,

despite final versions being provided to the Board of Trustees Budget and Audit Planning Committee.

Key Recommendations

1a. The District should create a plan to provide a conflict of interest policy to Oversight Committee members and incorporate the subject matter into the Oversight Committee's training and orientation. This recommendation should be implemented no later than April 30, 2022.

1b. The District should create a process for Oversight Committee members to evaluate and disclose conflicts of interests and incompatible activities. This recommendation should be implemented no later than April 30, 2022.

2. The Board of Trustees should appoint sufficient Oversight Committee members to meet or exceed the minimum number required by law. This recommendation should be implemented no later than April 30, 2022.

3a. The District should develop a plan to update the Oversight Committee bylaws to rescope the term limit bylaw addressing replacement holdovers as well as incorporate the additional student term limit provisions outlined in the Education Code. This recommendation should be implemented by April 30, 2022.

3b. The District should develop a plan to ensure that it abides by the term limit provisions required by law for its student affiliation category. The program should also address the student's term limit provision on the Committee Member Term Chart provided by the District. This recommendation should be implemented by April 30, 2022.

4. The District should identify and communicate to both the Oversight Committee and the public the relationship the District's contractor has with the Oversight Committee regarding the Measure X program. The District should clarify the level of authority and independence the Oversight Committee has to request services from its contractor, AKG. This recommendation should be implemented by April 30, 2022.

5. The District should develop a plan to provide the necessary resources to revive the "Measure X Bond Newsletter." This recommendation should be implemented no later than April 30, 2022.

6. The District should develop a plan to institute an electronic communication tool to contact the Oversight Committee directly. The District needs to provide an appropriate communication tool to foster public engagement, correspondence, and feedback. This recommendation should be implemented no later than April 30, 2022.

7a. The District should create a plan to update meeting announcements published on the Measure X homepage to identify the webpage links to access the meeting agenda. This recommendation should be implemented no later than April 30, 2022.

7b. The District should review the structure and navigation of meeting agendas and create a plan that addresses the public's need for efficient access to agendas and meeting materials. This recommendation should be implemented no later than April 30, 2022.

8. The District should provide detailed and targeted training to members of the Oversight Committee. A training plan should be developed with input from the Oversight Committee. This recommendation should be implemented no later than June 30, 2022.

9. The District should develop a plan to communicate how the District has identified or enacted cost-saving measures to the Oversight Committee. This recommendation should be implemented no later than April 30, 2022.

10a. The District should provide the dated and certified 2020 Financial and Performance Audits to the Oversight Committee. The audits should also be posted to the Measure X website for public disclosure. This recommendation should be implemented no later than April 30, 2022.

10b. The District should create a plan with appropriate milestones to ensure the timely completion of annual, independent financial and performance audits. Milestones should include when audits are expected to be available for the Oversight Committee to receive and review, the District's responses to the audits for Oversight Committee review, and when the final signed and dated audits are to be posted to the Measure X website. This recommendation should be implemented no later than April 30, 2022.

Response - [Gavilan Joint Community College District](#)

1. The District disagrees with this finding.

1a. The District will implement part of the recommendation. The District agrees that as membership changes on the Oversight Committee, periodic training sessions summarizing the roles and responsibilities of Oversight Committee members should be conducted. The District disagrees that there is a need for a conflict of interest policy.

1b. The District will not implement this recommendation.

2. The District disagrees with this finding and will not implement this recommendation.

3. The District disagrees with this finding.

3a. The District will implement part of the recommendation. For clarification, the District agrees that the application form for membership on the Oversight Committee can be amended to include a specific reference to Section 15282(a)(4) of the Education Code.

3b. The District will implement part of the recommendation. The District agrees to update the Committee Membership Term Chart to clarify that once a student member of the Committee has no longer been a student at Gavilan College for six months, the student will resign, and the remaining period of the student's term will be filled by another student.

4. The District disagrees with this finding. The District will not implement this recommendation.

5. The District will not implement this recommendation.

6. The District will not implement this recommendation.

7. The District will implement this recommendation.

7a. The District will implement this recommendation.

7b. The District will not implement this recommendation.

8. The District disagrees with this finding. The District will not implement this recommendation.

9. The District will not implement this recommendation.

10a. The District will implement this recommendation.

10b. The District will implement this recommendation.

Follow-up

Recommendation 7a: The District implemented this recommendation by the June 30, 2022, deadline and the Measure X website now includes a schedule of upcoming meetings, as well as agendas and meeting minutes: <https://gavilanmeasurex.org/meeting-schedule-agenda-minutes/>

Recommendation 10a: The District posted to the Measure X website the required updated Financial and Performance Audits to the Oversight Committee by April 30, 2022.

Recommendation 10b: The District posted the independent financial audits and milestones by April 30, 2022. Milestones include expected dates for delivery of timely financial data to the Oversight committee posted to the Measure X website.

MEASURE A EARNS AN A: GOOD MANAGEMENT AND OVERSIGHT SUPPORTS PROGRESS

Summary of 2021 Report

In 2016, voters of Santa Clara County (County) passed Measure A, which allowed the County to borrow up to \$950 million by issuing general obligation bonds. Bond proceeds can only be used to acquire or improve real property to provide Affordable Housing (AH) and related support and services for vulnerable populations. Less than five years into the Measure's 11-year cycle, 289 units were built. Acting on a public complaint, the 2021 Civil Grand Jury began an investigation into the pace of AH construction being developed using Measure A funds. The investigation aimed to understand the County's performance on Measure A, including why the number of units completed to date was low.

After a thorough review, the slow pace of additional AH units was evident. The County utilizes the bond proceeds to partner with cities and others to address the AH needs of the target population. The County's Office of Supportive Housing (OSH) is mainly responsible for administering the funding available from the bond proceeds for these AH projects. OSH is only one player. Developing AH is a complex and lengthy process from project inception to construction units ready to be leased by qualified occupants. That process includes land acquisition, project design, zoning and permit approval, financing, construction, and leasing. Multiple entities are involved, and all project stages take time.

The funding purpose specified in Measure A was addressed – the County is funding the proper categories of AH in a timely manner. Many factors in the AH development process are beyond the control of OSH and the County.

The 2021 Civil Grand Jury commends the County Board of Supervisors and the members of the Measure A Independent Citizens' Oversight Committee for providing robust and transparent oversight to Measure A implementation.

Key Findings

1. To date, the review indicates that the expenditures and activity of Measure A's stated responsibility to fund the development of multi-family rental housing for the community's most vulnerable populations are on target.
2. Measure A funding of Affordable Housing projects is at pace with the eleven-year cycle specified in the Program Guidelines.

3. The Rapid Re-Housing target population needs may not be met because unit completion is lagging in that Category.
4. Measure A required a Measure A Independent Citizens' Bond Oversight Committee (Oversight Committee). The County Board of Supervisors selected several knowledgeable members to serve on this committee.
5. The mix of relevant skills of the Measure A Oversight Committee members has enabled the committee to play an effective oversight role.

Key Recommendations

- 3a. To address this Rapid Re-Housing lag, the County should aggressively pursue Homekey funding where consistent with Measure A Goals and Guidelines. The County should develop a plan to address this recommendation by June 30, 2022.
- 3b. If Rapid Re-Housing development continues to lag, the County should consider redistributing unit goals to support the core homeless and disabled vulnerable populations. The County should develop a plan to address this recommendation by June 30, 2022.
5. The 2021 Civil Grand Jury recommends that the County evaluate whether this selection model can be extended to other advisory boards and commissions. This evaluation should be completed by June 30, 2022.

Response - [Santa Clara County Board of Supervisors](#)

3a. The County agrees with the recommendation. The County is aggressively pursuing Homekey Program funding either directly or by partnering with local jurisdictions also seeking these funds. For example, on January 3, 2022, the County received a Homekey Program Round 2 award notification for \$22,143,341 to support the acquisition and operation of an interim housing program at Bella Villa Inn in Santa Clara. Through this award, the County can utilize state grant funds to acquire the property and further leverage Housing Bonds proceeds. The County has also submitted a second application for the conversion of the Crestview Hotel in Mountain View, which will include a certain number of Rapid Re-Housing units. Furthermore, on February 8, 2022, the County Board of Supervisors approved providing up to \$5,000,000 for the Residence Inn acquisition and conversion by the Santa Clara County Housing Authority as part of an application Homekey Program Round 2 funding.

3b. The County partially disagrees with the recommendation. The County believes that more time is needed to realize and analyze the impact of program changes before modifications to goals should be made. Specifically, on November 16, 2021 (Item No. 22), the County Board of

Supervisors approved a recommendation to update the County’s development guidelines to further incentivize the production of Rapid Re-Housing Units. Furthermore, on February 8, 2022 (Item No. 46), the County Administration updated the County’s Housing Development pipeline accommodating the remaining supportive housing units. The County will analyze the impact of the recent program change noted above before considering any other changes to unit goals. The County anticipates this to be completed in June 2022.

5. The County generally agrees with Finding 5. The County will consider whether this selection model can extend to other advisory boards and commissions.

Follow-up

The 2022 Civil Grand Jury reached out to the County on September 6, 2022, requesting follow-up on Recommendations 3b and 5 (both with a completion date of June 30, 2022). To date, no response has been submitted.

PROPERTY TAX BILLS: MORE THAN MEETS THE EYE

Summary of 2021 Report

Acting on a public complaint, the 2021 Civil Grand Jury began an investigation into whether there was sufficient detail in secured property tax bills. The issue was not that the taxes were incorrect but that the property tax bill gave too little information about how dollar amounts were derived and represented. After a thorough review of the 2020 property tax bills in the County, the following was identified: dollar amounts for bonds and levy line items were not shown; insufficient details were provided regarding line items that group multiple bonds; and on the WhereDoTaxesGo website, the secured property value was not stated and the calculated tax amounts were not shown. Some field values were truncated with no explanation, bills included a rounding adjustment without clarifying its use, and the Santa Clara County Department of Tax and Collections (DTAC) survey focused on website interaction rather than obtaining substantive feedback.

Key Findings

1. The Annual Property Tax Bill and the Supplemental Property Tax Bill did not show the computed amounts of the tax bonds and levies. It did not show the value for the “TOTAL ASSESSED VALUE TAXES” and “TOTAL LAND & IMPROVEMENT TAXES” in the “DETAIL OF TAXES” section. A taxpayer wanting to verify these calculations was faced with a lack of transparency.
2. In the “DETAIL OF TAXES” section of the Annual Property Tax Bill and the Supplemental Property Tax Bill, line items ending in “S” show a tax rate for a group of bonds, not individual bond tax rates.
3. The WhereDoTaxesGo.org website does not provide details of calculated values so that the taxpayer can understand the dollar amounts that correspond to percentages in the One-percent Tax Distribution Table or the Debt Levy Rate Table.
4. The Annual Property Tax Bill and the Supplemental Property Tax Bill do not explain that cents are truncated and do not explain the rounding adjustment.
5. DTAC collects customer feedback via an online survey available only in English that addresses website interaction but gives little opportunity for customer input regarding other concerns.

Key Recommendations

1. No recommendation.

2. DTAC should provide the taxpayer with a solution that explains the expanded detail of taxes calculated for each item in a group of bonds, including the assessed property value, tax rate, and computed amount. To be implemented by June 30, 2022.
3. DTAC should include on their Tax Distribution website the ability to show the secured property's net assessed dollar value and the calculated dollar amount of each tax represented in the One-percent Tax Distribution Table and Debt Levy Rate Table.
4. DTAC should provide the taxpayer with an explanation for the truncation and rounding adjustment. This should be implemented in the next annual property tax bill.
5. The County should create a way to capture concerns from taxpayers in multiple languages, independent of an online communication channel, such as surveys included with the paper property tax bill, focus groups, and advisory boards.

Response - [Santa Clara County Board of Supervisors](#)

The County agrees with findings 1-4.

5. The County partially agrees with this finding, specifically where it states that the customer has little opportunity to provide input regarding other concerns.

Follow-up

Beginning this tax year FY 2022-2023, the County will modify all relevant tax bills to include a message informing the taxpayer how the bill detail can be accessed online or obtained in hard copy upon request. The Detail of Taxes section will include language stating: "Taxpayers can request a copy of the full details of each bond on their bill by calling (408) 808-7900 or visiting our website to view or print a copy at <https://payments.sccgov.org/propertytax>." Additionally, the payment portal will make a convenient one-stop hub for taxpayers looking for information about tax charges and distributions for their bills and add two explanatory statements to the Detail of Taxes section of the tax bill. This change will explain the rounding adjustment for property owners.

The online survey will be translated and offered in Spanish, Vietnamese, and Chinese, and a link for the survey will be provided on the property tax bill. These changes will be effective for tax year FY 2022-2023.

The County will conduct market research for feasibility and cost implications surrounding a telephone survey, available in multiple languages, for taxpayers to provide feedback. This effort will begin during tax year FY 2023-2024.

TECHNOLOGY SERVICES AND SOLUTIONS: HAVE LESSONS BEEN LEARNED?

Summary of 2021 Report

In 2018, after almost two years of planning and development, the County launched a customized electronic health record (EHR) system for clinics in the Behavioral Health Services Department (Behavioral Health). Development of this system was overseen by Technology Services and Solution (TSS), the County's information technology department, which is responsible for managing the County's computer hardware, software, and network infrastructure. The EHR system was intended to modernize clinical record-keeping, patient billing, and reporting for State and County oversight. However, once the system became operational, the County detected numerous errors in the pending behavioral health Medi-Cal claims. The County had to halt the billing component of the new system and faced the crisis of potentially losing millions in reimbursements. By late 2018, the County decided to redesign the EHR system. The 2021 Civil Grand Jury investigated the history of this multiyear project and identified several areas as the root causes of the troubles encountered.

Key Findings

1. TSS failed to recognize warning signs, from staff and CalEQRO reports, when linking two systems from separate vendors. That hindered the processing of Medi-Cal claims, caused billing delays and unanticipated additional work for County staff, and required an ultimate redesign of the system.
2. TSS did not follow project management best practices. There was no requirement that project managers need project management experience. Multiple managers were used, none of whom had overall responsibility, which complicated coordination and decision making.
3. TSS lacked a process to prove the new (EHR) system would work prior to its deployment. TSS did not adequately test the integration of the HealthLink and Netsmart system before releasing it to Behavioral Health clinics. Emphasis was on meeting the schedule, rather than on having a gradual system rollout. This led to halting the submission of Medi-Cal claims, which threatened the loss of tens of millions of dollars.
4. TSS and Behavioral Health were insufficiently engaged in contract negotiations with Netsmart for a May 2019 agreement, as they lacked detailed input on resources and scheduling for analysis and training, which contributed to delays and required the subsequent negotiation of three additional agreements to address shortcomings.
5. TSS underestimates the amount of future work to integrate contract providers' EHRs with the County's Netsmart system. Inadequate staffing will cause further delays and work disruptions.

Key Recommendations

1. When undertaking a new project, the County should add a requirement for a high-level feasibility analysis during the initial planning phase.
 - 2a. The County should develop a plan to require anyone serving in a project management role to have sufficient experience and/or certification for the nature of the project.
 - 2b. The County should develop a plan to require that each project have a single overall manager, who is experienced and/or certified.
 - 2c. If a project requires additional managers, the County should require a clear organizational structure that facilitates coordination and decision making.
 - 2d. The County should verify that project managers follow best practices defined by the Project Management Center for Excellence, then monitor and verify that required items listed in the Governance Gates Checklist are completed and approved by the responsible executive.
- 3a. The County should develop a plan to require documenting user acceptance testing criteria at the start of a project.
- 3b. The County should develop a plan for situations where the user acceptance testing cannot be done in the user's work environment.
- 4a. To assure Procurement is prepared to negotiate with vendors, the County should develop a plan to require analysis of the technical staff needed to complete and deploy the project. Escalation procedures should be included when Procurement is not provided the data it needs.
- 4b. When the County intends to train its staff and colleagues for using any new system, the staff should be made available for such training.
- 4c. The County should investigate the feasibility of negotiating vendor contracts that include a bonus for on-time and successful completion of IT projects.
- 5a. The County should conduct a risk assessment to identify threats to the objectives of ongoing projects. Potential responses to those risks should be captured in a risk management plan for this project.
- 5b. The County should develop a plan to ensure that vendors are informed as decisions are made about what work needs to be done by vendors, or by the County, who will pay for it and when will the work be scheduled.

Response - Santa Clara County Board of Supervisors

1. The County agreed with this finding and this recommendation has been implemented.
2. The County partially disagrees with this finding.
 - 2a. This recommendation is in place. TSS requires that Project Managers meet the requirements outlined in the IT Project Manager job specifications.
 - 2b. This recommendation is in place. TSS projects are staffed with a single project manager.
 - 2c. This recommendation has been implemented.
 - 2d. This recommendation will be implemented by June 30, 2022.
- 3a. The County agrees with the finding, and this recommendation has been implemented.
- 3b. The County agrees with the finding, and this recommendation has been implemented.
 - 4a. The County agrees with the finding, and this recommendation will be implemented by June 30, 2022. The Procurement Director will coordinate this collaboration.
 - 4b. The County agrees with the finding, and this recommendation will be implemented by June 30, 2022.
 - 4c. The County agrees with the finding and will investigate the feasibility of negotiating vendor contracts that include a bonus for on-time and successful completion of all parts of an IT project.
- 5a. The County agrees with the finding, and this recommendation has been implemented.
- 5b. The County agrees with the finding, and this recommendation has been implemented.

Follow-up

All of the above recommendations have an implementation date of June 30, 2022. Many of the recommendations that the County agreed with were implemented within the 90-day response requirement. The 2022 Civil Grand Jury followed up with the County and received confirmation that the three items still outstanding in March 2022 were addressed by June 30, 2022.

CONTINUITY REPORT

APPENDIX A – SUMMARY OF RESPONSES TO THE 2021 REPORTS

APPENDIX: Summary of Responses to the 2021 Reports

2022 CIVIL GRAND JURY REPORT FOLLOW-UPS:	RESPONDING AGENCY	FINDINGS			RECOMMENDATIONS			
		Agree	Disagree	No Recommendation	Implementation Status			
					Has Been Implemented	Will Be Implemented	Requires Analysis	Will Not Be Implemented
Affordable Housing: A Tale of Two Cities - City of Mountain View	City of Mountain View	7, 10,11, 14		1, 2, 3, 5	7, 10b, 14		11	
Affordable Housing: A Tale of Two Cities-City of Palo Alto	City of Palo Alto	3 (partial), 6a	3 (partial),6b		6a, 12a, 13, 14	3 (partial)	9b, 10a, 12b	6b, 9a
		8 (partial)						
		9 b	9a					
		10, 12a, 12b, 13, 14						
Gavilan College Measure X Bond Program: Oversight Shortchanged	Gavilan Joint Community College District	1a (partial), 3a (partial), 3b (partial), 7a, 10a, 10b	1b, 2, 4, 5, 6, 7b, 8, 9			7a, 10a, 10b		1b, 2, 4, 5, 6, 7b, 8, 9
Measure A Earns an A: Good Management and Oversight Supports Progress	County of Santa Clara	3a, 3b (partial), 5	3b (partial)	1, 2, 4	3a, 5	3b (partial)		3b (partial)
Property Tax Bills: More Than Meets the Eye	County of Santa Clara	2, 3, 4, 5 (partial)			1	2, 3, 4		
Technology Services and Solutions: Have Lessons Been Learned?	County of Santa Clara	1, 2a, 2b, 2c, 2d, 3a, 3b, 4a, 4b, 4c, 5a, 5b			1, 2a, 2b, 2c, 3a, 3b, 5a, 5b	2d, 4a, 4b	4c	

CONTINUITY REPORT

This report was **ADOPTED** by the Santa Clara County 2022 Civil Grand Jury on this 17th day of November, 2022.

A handwritten signature in blue ink, appearing to read "Karen a f", is written over a horizontal line.

Ms. Karen Enzensperger
Foreperson