

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
AGENDA OF THE REGULAR BOARD MEETING

June 28, 2018

11:30 a.m.

TO BE HELD AT:

HOUSING AUTHORITY OFFICES

2931 Mission Street, Santa Cruz, CA 95060

1. Roll Call
2. Consideration of Late Additions and Changes to the Agenda
3. Consent Agenda
 - A. Minutes of the Regular Meeting held May 23, 2018

Motion to Approve as Submitted
 - B. Cancellation of the July 25, 2018 and August 22, 2018 Regular Meetings

Motion to Approve Cancellation of July 25, 2018 Regular Meeting and the Cancellation of the Regular Meeting of August 22, 2018 and Calling a Special Meeting on August 29, 2018 at the Regular Time of 11:30 a.m.
 - C. LIPH Operating Budget FY 2018-19

Motion to Adopt **Resolution No. 2018-08:** Approval of Operating Budget for Low Income Public Housing for Fiscal Year 2018-19
 - D. USDA Approval of Casa Pajaro FY 2018-19 Budget

Motion to Adopt **Resolution No. 2018-09:** Approval of Fiscal Year 2018-19 Budget for U.S. Department of Agriculture, Rural Development, Farm Labor Housing at 127-193 East Front Street, Watsonville, CA (“Casa Pajaro”)
 - E. USDA Approval of Tierra Alta FY 2018-19 Budget

Motion to Adopt **Resolution No. 2018-10:** Approval of Fiscal Year 2018-19 Budget for U.S. Department of Agriculture, Rural Development, Farm Labor Housing at 101 Tierra Alta Drive, Watsonville, CA (“Tierra Alta”)
 - F. File Review Appointment – Sample Letter

Receive Draft Revision of File Review Appointment Letter
4. Oral Communications (All oral communications must be directed to an item not listed on this agenda and must be within the jurisdiction of the Board. Presentations must not exceed three minutes in length. The Board will not take action or respond immediately to any Oral Communication presented, but may choose to follow up at a later time or schedule item for a subsequent agenda. The Board may limit the total amount of time allowed for oral communication). Anyone addressing the Board of Commissioners is asked to complete a card and leave it with the Board secretary so that their names may be accurately recorded in the Minutes.

5. Unfinished Business
6. New Business
 - A. Addition to Administrative Plan – Phippen Orchard Site Based Waiting List

Motion to Approve Addition to Administrative Plan Regarding Phippen Orchard Site Based Waiting List
 - B. Zoning Change for 2931 Mission Street and 415 Natural Bridges Drive

Motion to Approve Submission of Application for General Plan Amendment For the Purposes of Rezoning 2931 Mission Street and 415 Natural Bridges Drive to General Industrial (IG) Designation.
7. Written Correspondence
8. Report of Executive Director
9. Reports from Board Members
(Board members may report on meetings attended, if any, or other items of interest.)
10. Closed Session
(The Board will recess to discuss those items listed, if any.)
 - A. Executive Director Employee Evaluation and Contract Renewal
11. Report on Closed Session
12. Adjournment

*The Housing Authority complies with the Americans with Disabilities Act. If you are a person with disabilities and you require special assistance in order to participate, please contact the Board secretary at 831-454-9455, ext. 201 at least 72 hours in advance of the meeting in order to make arrangements. Persons with disabilities may request a copy of the agenda in an alternative format.

Spanish language translation is available on an as needed basis. Please make arrangements 72 hours in advance by contacting the Housing Authority at 831-454-9455, ext. 280.

Agendas can be obtained from the Housing Authority of the County of Santa Cruz Administration Department.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING MAY 23, 2018 AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2931 MISSION STREET, SANTA CRUZ, CA 95060

AGENDA ITEM NO. 1

Roll Call

Chairperson Berg called the meeting to order at 11:32 a.m. Members present Commissioners Berg, Brunner, Eligio, Garcia, Pomerantz, Schiffrin and Schmale

Members Absent

None.

Staff Present

Jennifer Panetta and Courtney Byrd of the Housing Authority

AGENDA ITEM NO. 2

Consideration of Late Additions or Changes to the Agenda

None.

AGENDA ITEM NO. 3

Consent Agenda

Chairperson Berg asked for a motion to approve the Consent Agenda.

Commissioner Schiffrin stated that the Consent Agenda needs to have the recommended action listed. Staff will revise the Consent Agenda to include recommended actions for future meetings.

Commissioner Garcia directed staff's attention to a typo in **Agenda Item 3B**. The word should be uninhabitable not inhabitable.

Commissioner Pomerantz requested **Agenda Item 3A** Minutes of the Special Meeting of April 30, 2018 be pulled and revised to add absent with notice under Members Absent. Minutes will be revised to state Commissioner Pomerantz (absent with notice).

Commissioner Schiffrin moved for approval of the Minutes of the Special Meeting of April 30, 2018 as amended; Commissioner Garcia seconded the motion and it was passed by the following vote:

AYES: Commissioners Berg, Brunner, Eligio, Garcia, Pomerantz, Schiffrin and Schmale
NOES: None
ABSENT: None
ABSTAIN: None

Commissioner Schiffrin moved for approval of the Consent Agenda as amended; Commissioner Garcia seconded the motion and it was passed by the following vote:

AYES: Commissioners Berg, Brunner, Eligio, Garcia, Pomerantz, Schiffrin and Schmale
NOES: None
ABSENT: None
ABSTAIN: None

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- Agenda Item 3B. Received Information for Future Discussion 415 Natural Bridges Drive Santa Cruz – Vacant Lot
- Agenda Item 3C. Acceptance of Letter to Congressman Panetta regarding Proposed Rent Reform Legislation
- Agenda Item 3D. Adopted Resolution No. 2018-06: Resolution Authorizing Submission of an Application to the U.S. Department of Housing and Urban Development (HUD) and Authorizing Execution of an Annual Contributions Contract (ACC) for up to 179 Vouchers Under the Housing Choice Voucher Program to Provide Rental Assistance for Families with Non-elderly Persons with Disabilities (Mainstream Voucher Program)
- Agenda Item 3E. Adopted Resolution No. 2018-07: Resolution Authorizing Submission of an Application to the U.S. Department of Housing and Urban Development (HUD) and Authorizing Execution of an Annual Contributions Contract (ACC) for up to 100 Vouchers Under the Housing Choice Voucher (HCV) Program to Provide Rental Assistance for Families and Youth Under the Family Unification Program (FUP)

AGENDA ITEM NO. 4

Oral Communications

None.

AGENDA ITEM NO. 5

Unfinished Business

None.

AGENDA ITEM NO. 6A

File Reviews

Secretary Panetta reminded the Board that in May 2017, California Rural Legal Assistance (CRLA) expressed concerns about the Housing Authority’s file review process. In response to those concerns, the Housing Authority made changes to the process. During the public comment period for the Administrative Plan at the March 28, 2018 Board Meeting, CRLA expressed continued concern about the file review process. The file review process is not included in the Administrative Plan, so the Board instructed staff to bring the item back during a subsequent meeting.

Since the March meeting, Housing Authority Staff has met with CRLA to further discuss their concerns and to receive feedback on proposed changes. Based on this information, staff proposes changes to the appointment letter, script to document consent to record, staffing, and interview parameters.

Based on conversations with CRLA, Housing Authority staff believes that the items proposed above represent meaningful changes to the file review process and adequately addresses all of CRLA’s concerns except one. CRLA has expressed the opinion that file review appointments should be optional, rather than mandatory. However, Housing Authority staff feels requiring attendance at file review appointments is reasonable, necessary, and an effective way to collect information. The Housing Authority has an obligation to detect and prevent fraud and abuse in our programs.

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Secretary Panetta thanked CRLA for raising concerns about the file review process.

In attendance at the meeting, are Gretchen Regenhardt, Attorney at Law with CRLA and Alex Randolph, an intern for the summer at CRLA. Ms. Regenhardt addressed the Board of Commissioners and thanked Secretary Panetta for responsiveness in proposing further improvements to the file review process. Ms. Regenhardt states that she doesn't see the need for making the file review appointment mandatory, it should be optional and that the file review process should be skipped altogether. When and if the Housing Authority feels they have collected enough information, the Housing Authority should go directly to the termination letter which contains the reasons for the termination and detailed information that the client can be prepared to dispute. The Board had a discussion.

Commissioner Schiffrin moved to adopt staff recommended changes to the file review process as amended to include changes to the script and wording about voluntary relinquishment that were requested by CRLA, and directs staff to return to the Board at the next meeting with a new file review appointment letter emphasizing the importance of the meeting without using mandatory; Commissioner Garcia seconded the motion. Commissioner Berg wishes to add that staff could provide more than one letter for several options. It was passed by the following vote:

AYES: Commissioners Berg, Brunner, Eligio, Garcia, Pomerantz, Schiffrin and Schmale
NOES: None
ABSENT: None
ABSTAIN: None

Finance Director Pomeroy entered the meeting at 12:53 p.m.

AGENDA ITEM NO. 6B Draft Agency Budget for FY 2018-2019

Secretary Panetta and Finance Director Pomeroy gave a brief recap of the Agency Budget FY 2018-2019 which was presented to the board at the April 30, 2018 Regular Meeting. The budget is now before the Board of Commissioners for approval. A discussion followed. Secretary Panetta thanked Finance Director Pomeroy and the Finance Staff for their work on the budget.

Commissioner Schiffrin moved to approve the draft agency budget for FY 2018-2019 with added direction to return to the Board in October with the employee compensation package and a possible COLA recommendation; Commissioner Garcia seconded the motion and it was passed by the following vote:

AYES: Commissioners Berg, Brunner, Eligio, Garcia, Pomerantz, Schiffrin and Schmale
NOES: None
ABSENT: None
ABSTAIN: None

Finance Director Pomeroy exited the meeting at 1:10 p.m. with thanks from the Board.

AGENDA ITEM 6C County of Santa Cruz Housing Services Contract

Secretary Panetta informed the Board that in 2011, the Housing Authority entered into a multi-year contract with the County of Santa Cruz to provide information and services related to housing and affordable housing programs and activities. The current Housing Services Contract expires on June 30, 2018, with approximately 3.1 million dollars left in the contract. At this time, the County is proposing to extend the term of the contract for an additional 4 years. A discussion followed.

Commissioner Pomerantz moved to authorize the execution of amendment to County of Santa Cruz Housing Services Contract, approve Housing Services Work Plan for 2018/2019, Approve Establishment of an Affordable Housing Preservation Revolving Loan Fund with direction to staff to contact the County regarding the Housing Authority use of some of these funds for housing development staffing and to report back to the Board at the August meeting; Commissioner Schmale seconded the motion and it was passed by the following vote:

AYES: Commissioners Berg, Brunner, Eligio, Garcia, Pomerantz, Schiffrin and Schmale
NOES: None
ABSENT: None
ABSTAIN: None

Deputy Executive Director Failor entered the meeting at 1:23 p.m.

AGENDA ITEM 6D Low Income Public Housing Utility Consumption

Secretary Panetta reminded the Board that during the Board's review of the 2016-2017 audited financials, the Board had questions regarding the utility cost and consumption at our Low Income Public Housing (LIPH) properties. On the agenda item are tables summarizing information about LIPH utility costs and utility consumption. Secretary Panetta informed the Board that in the coming months, the Housing Authority will be conducting an energy audit at all our sites as required by HUD. This energy survey will look for opportunities for further conservation within our units and complexes. The auditors will make suggestions in areas of lighting, appliances, weatherization, and will assist in evaluation the feasibility of solar at LIPH sites. Once that report is completed, we will evaluate their suggestions and implement the items we can. A discussion followed.

AGENDA ITEM NO. 7 Written Correspondence
None.

AGENDA ITEM NO. 8 Report of Executive Director

Executive Director Panetta informed the Board that the financials through April 2018 and a comparison against our approved budget (s) FY 2017-2018 is included in this month's Board Packet.

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Executive Director Panetta informed the Board that the Housing Authority has begun working with Applied Survey Research to conduct a Fair Market Rent (FMR) study. Letters have been sent to affordable housing developers as well as jurisdictions to invite interested parties to share in the \$25,000 cost. The Board suggested the letters also be sent to the Board of Supervisors and Santa Cruz and Watsonville City Councils with a cc: to Commissioners Berg and Garcia.

Executive Director Panetta updated the Board on the office move. Commissioners suggested letting the Chamber of Commerce and newspapers know of the move. Commissioners also suggested a proclamation and/or ribbon cutting.

Executive Director Panetta informed the Board that once we move to our new mid-County office location, the Housing Authority is planning to discontinue the Watsonville Document Dropbox in the Watsonville Library and briefing presentations.

Executive Director Panetta informed the Board that the Housing Authority recently sent a letter to all landlords participating in the voucher program to thank them for participating and to get feedback from them via a survey. Executive Director Panetta will share the results of the landlord survey with the Board once they are available.

Executive Director Panetta informed the Board of an upcoming NAHRO Commissioner training opportunity. If interested, please contact Courtney Byrd who will make the arrangements.

Executive Director Panetta gave the Board a legislative update.

AGENDA ITEM NO. 9

Reports from Board Members

Commissioner Garcia supplied the Board with further information on the Affordable Housing Santa Cruz County draft proposal for the \$250 million dollar housing bond.

Commissioner Garcia informed the Board that Dolores Huerta will be speaking at El Alteño Restaurant on Main Street in Watsonville on May 25, 2018 beginning at 4:00 p.m. Commissioner Garcia has been asked to welcome her. Robert Rivas, candidate for assembly, will also be speaking.

Commissioner Brunner asked Secretary Panetta about an email she received directly from a community member about being cancelled from the waiting list that she had forwarded to Secretary Panetta. Secretary Panetta informed the Board that the Housing Authority has responded to this email. Since it went directly to Commissioner Brunner and not to the whole Board, the email was not included in the Board Packet.

Commissioner Pomerantz requested that a follow up regarding the Housing Authority's decision to not

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use “round up” at its Low Income Public Housing sites be put on the agenda. Secretary Panetta stated that we are still collecting information but this will appear before the Board at a later date.

The Commissioners requested a reminder go out regarding the Executive Director’s evaluation form being completed and forwarded to Chairperson Berg.

AGENDA ITEM NO. 10 Closed Session
None.

AGENDA ITEM NO.11 Report on Closed Session
None.

AGENDA ITEM NO. 12 Adjournment

The Board of Commissioners meeting was adjourned at 2:15p.m.

I hereby certify that these minutes were approved by the Housing Authority of the County of Santa Cruz, on the Twenty Seventh day of June, 2018.

Chairperson of the Authority

ATTEST: _____

Secretary

AGENDA ITEM SUMMARY

MEETING DATE: June 27, 2018

ITEM NUMBER: 3B

FROM: Executive Director

SUBJECT: Cancellation of the July 25, 2018 and August 22, 2018 Regular Meetings

RECOMMENDATION: Approve Cancellation of July 25, 2018 Regular Meeting and the Cancellation of the Regular Meeting of August 22, 2018 and Calling a Special Meeting on August 29, 2018 at the Regular Time of 11:30 a.m.

BACKGROUND SUMMARY:

Typically, the Housing Authority Board of Commissioners does not hold a Regular Meeting in July or November. Therefore, staff proposes that the Board cancel the Regular Meeting set for July 25, 2018.

Staff also proposes cancellation of the Regular Meeting of August 22, 2018 and calling a Special Meeting on August 29, 2018 at the regular time of 11:30 a.m.

RECOMMENDATION: Approve Cancellation of July 25, 2018 Regular Meeting and the Cancellation of the Regular Meeting of August 22, 2018 and Calling a Special Meeting on August 29, 2018 at the Regular Time of 11:30 a.m.

AGENDA ITEM SUMMARY

MEETING DATE: June 27, 2018

ITEM NUMBER: 3C

FROM: Executive Director

SUBJECT: LIPH Operating Budget FY 2018-19

RECOMMENDATION: Adopt **Resolution No. 2018-08:** Approval of Operating Budget for Low Income Public Housing for Fiscal Year 2018-19

BACKGROUND SUMMARY:

Low Income Public Housing Operating Budget

HUD guidelines require separate board approval of the Low Income Public Housing (LIPH) Program operating budget. Enclosed is a copy of the LIPH operating budget that is identical to the one included in the board approved Agency budget from last month. Board approval of this resolution is a HUD imposed formality.

In Summary:

Projected Rents	\$1,550,000
Subsidy from HUD	\$ 570,031
Interest Income	\$ 17,200
Other Income	\$ 142,500
Transfer from Capital Grants	\$ 404,630
Less Estimated Expenses	<u>(\$2,769,565)</u>
Net Deficit	(\$85,203)

RECOMMENDATION: Adopt **Resolution No. 2018-08:** Approval of Operating Budget for Low Income Public Housing for Fiscal Year 2018-19

PHA Board Resolution
Approving Operating Budget

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 07/31/2019)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name:PHA Code:

PHA Fiscal Year Beginning:Board Resolution Number:

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- Operating Budget approved by Board resolution on:
- Operating Budget submitted to HUD, if applicable, on:
- Operating Budget revision approved by Board resolution on:
- Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name:	Signature:	Date:
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HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
Budget Comparison
Fiscal Years Ending June 30, 2018 and 2019

Low Rent Public Housing
Fund #100

	2017-2018 Budget	Proposed 2018-2019 Budget	Increase (Decrease) from 17-18
REVENUES:			
HAPS/Program Reimbursement	-	-	-
Administrative Fees	-	-	-
Grants/Contracts	512,951	570,031	57,080
Rental Income	1,391,556	1,550,000	158,444
Operating Transfers In	382,613	404,630	22,017
Other Income	139,000	159,700	20,700
Total Revenue	2,426,120	2,684,361	258,241
EXPENSES:			
Housing Assistance Payments	-	-	-
Salaries	524,090	536,168	12,077
Employee Benefits	210,235	231,366	21,131
Capital Purchases	618,000	845,000	227,000
Maintenance	744,048	838,375	94,327
General Administrative	307,478	318,406	10,928
Tenant Services	250	250	-
Operating Transfers Out	-	-	-
Debt Service	-	-	-
Total Expenses	2,404,101	2,769,565	365,463
Revenue Over (Under) Expenses	22,019	(85,203)	(107,222)

AGENDA ITEM SUMMARY

MEETING DATE: June 27, 2018

ITEM NUMBER: 3D

FROM: Executive Director

SUBJECT: USDA Approval of Casa Pajaro FY 2018-19 Budget

RECOMMENDATION: Adopt **Resolution No. 2018-09:** Approval of Fiscal Year 2018-19 Budget for U.S. Department of Agriculture, Rural Development, Farm Labor Housing at 127-193 East Front Street, Watsonville, CA (“Casa Pajaro”)

BACKGROUND SUMMARY:

USDA has approved the Housing Authority’s budget for fiscal year 2018-19 for the USDA Farm Labor Housing at Casa Pajaro. The enclosed budget is based on the Casa Pajaro portion of the board approved Agency budget last month with slight modifications incorporated as part of the USDA approval process. Increases to Operating Transfers In over the prior budget year represent reserve transfers to fund the increases in Capital Expenditures. This budget reflects a 3% increase in the rents, which is below the change in the San Francisco Area Consumer’s Price Index of 3.6%.

The rent changes are as follows:

UNIT SIZE	PRESENT RENT	PROPOSED RENT	INCREASE
2 BR	\$708	\$729	\$21
3 BR	\$776	\$799	\$23

The operating budget, as summarized below, projects an increase in rental income, garbage, and capital expenditures.

	<u>17-18</u>	<u>18-19</u>	<u>Increase (Decrease)</u>
Rental Income	294,240	302,964	8,724
Interest Income	2,000	2,750	750
Other Revenue	16,160	16,160	-0-
Operating Transfers In	17,738	103,475	85,737
Less Vacancy Allowance	<u>(14,712)</u>	<u>(15,148)</u>	<u>(436)</u>
Total Revenue	315,426	410,201	94,775
Maintenance & Operations	52,350	51,728	(622)
Utilities	51,000	58,900	7,900
Administrative	120,946	118,929	(2,017)
Taxes & Insurance	21,200	21,200	-0-
Debt Service	6,601	6,601	-0-
Capital Expenditures	32,825	103,475	70,650
Transfers to reserves	<u>29,700</u>	<u>29,700</u>	<u>-0-</u>
Total Expenses	314,622	390,533	75,911
Net Profit (Loss)	804	19,668	18,864

RECOMMENDATION: Adopt **Resolution No. 2018-09:** Approval of Fiscal Year 2018-19 Budget for U.S. Department of Agriculture, Rural Development, Farm Labor Housing at 127-193 East Front Street, Watsonville, CA (“Casa Pajaro”)

**BEFORE THE HOUSING AUTHORITY OF THE COUNTY
OF SANTA CRUZ, STATE OF CALIFORNIA**

RESOLUTION NO. 2018-09

On the motion of Commissioner
Duly seconded by Commissioner

The Following Resolution is Adopted:

**RESOLUTION ADOPTING FISCAL YEAR 2018-19 BUDGET FOR
UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL
DEVELOPMENT, FARM LABOR HOUSING AT 127-193 EAST
FRONT STREET, WATSONVILLE, CA (“CASA PAJARO”)**

WHEREAS, The United States Department of Agriculture, Rural Development, (“USDA”) provided initial development financing, for 34 units of Farm Labor Housing at Casa Pajaro, and;

WHEREAS, annual project budgets must be submitted to USDA for review and approval prior to adoption by the Housing Authority Board of Commissioners, and;

WHEREAS, the fiscal year 2018-19 (July 1, 2018 - June 30, 2019) project budget submitted to USDA was approved.

NOW, THEREFORE, BE IT RESOLVED that the for fiscal year 2018-19 for USDA Farm Labor Housing at Casa Pajaro be approved, and the Executive Director, Jennifer Panetta, be authorized to conduct all business, and execute any and all documents and agreements necessary for project operation, pursuant to the newly approved budget.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Santa Cruz, State of California, this Twenty Seventh Day of June, 2018 by the following vote:

AYES:

NOES:

ABSENT:

Chairperson of the Authority

ATTEST:

Secretary of the Authority



Rural Development

April 30, 2018

Salinas Office

744-A LaGuardia Street
Salinas, CA
93905

Voice: 831-975-7740
Fax: 844-206-7009

NOTICE OF APPROVED RENT AND UTILITY ALLOWANCE CHANGE

Ondrea Starzhevskiy, Controller
Housing Authority of the County of Santa Cruz
2931 Mission Street
Santa Cruz, CA 95060

SUBJECT: Casa Pajaro

Dear Mr. Pomeroy:

You are hereby notified that USDA Rural Development has reviewed the rents (occupancy charge) and utility allowances changes for the **Casa Pajaro**, and considered all justifications provided by project management (and comments provided by tenants). USDA Rural Development has approved the following rent (occupancy charge) and/or utility allowance rates listed below. The changes for all units will become effective on **July 1, 2018**

The approved changes are as follows:

Unit Size	Present Rent (Occupancy Charge)		New Approved Rent (Occupancy Charge)		Amount Changed
	Basic	Note Rate	Basic	Note Rate	
Efficiency					
2-Bedroom	\$708.00	\$708.00	\$729.00	\$729.00	\$21.00
3-Bedroom	\$776.00	\$776.00	\$799.00	\$799.00	\$23.00

The approved utility allowance changes are as follows:

Unit Size	Present Utility Allowance	New Approved Utility Allowance	Amount Changed
Efficiency			
2-Bedroom	\$65.00	\$113.00	\$48.00
3-Bedroom	\$81.00	\$133.00	\$52.00

Should you have any questions or concerns, you may contact Rural Development. The Rural Development Servicing Office address is:

USDA Rural Development
744-A LaGuardia Street
Salinas, CA 93905
831-757-5294 Ext. 10794

You must notify the tenants (members) of Rural Development's approval of the rent (occupancy charge) and utility allowance changes by posting this letter in the same

manner as the "NOTICE TO TENANTS (MEMBERS) OR PROPOSED RENT (OCCUPANCY CHARGE) AND UTILITY ALLOWANCE CHANGE". This notification must be posted in a conspicuous place and cannot be substituted for the usual written notice to each individual tenant (members). This approval does not authorize you to violate the terms of any lease (occupancy agreement) you currently have with your tenants (members).

For those tenants (members) receiving rental assistance (RA), their costs for rent (occupancy charge) and utilities will continue to be based on the higher of 30 percent of their adjusted monthly income or 10 percent of gross monthly income or if the household is receiving payments for public assistance from a public agency, the portion of such payments which is specifically designated by that agency to meet the household's shelter cost. If tenants are receiving Housing and Urban Development (HUD) Section 8 subsidy assistance, their cost for rent and utilities will be determined by the current HUD formula.

You may file an appeal regarding the rate and utility allowance change as approved. An appeal must be received in the Regional Office no later than 30 calendar days after receipt of the adverse decision. The appeal should state what agency decision is being appealed and should include, if possible a copy of the adverse decision and a brief statement of why the decision is wrong. A copy of the appeal request should be sent to the agency.

You must inform the tenants (members) of their right to request an explanation of the rate and utility allowance change approval decision within 45 days of the date of this notice by writing to ***Violet Gomes, Area Specialist, 744-A LaGuardia Street, Salinas, CA 93905***. All tenants (members) are required to pay the changed amount of rent (occupancy charge) as indicated in the notice of approval.

Any tenant who does not wish to pay the Rural Development approved rent changes may give the owner a 30-day notice that they will vacate. The tenant will suffer no penalty as a result of the decision to vacate, and will not be required to pay the changed rent. However, if the tenant later decides to remain in the unit, the tenant will be required to pay the changed rent from the effective date of the change rent.

Sincerely,



Sylvia Barbosa, Area Specialist

Attachment

Position 3
**MULTIPLE FAMILY HOUSING PROJECT BUDGET/
UTILITY ALLOWANCE**

PROJECT NAME Casa Pajaro		BORROWER NAME Housing Authority		BORROWER ID AND PROJECT NO. 941699385 6-03	
Loan/Transfer Amount \$		Note Rate Payment \$		IC Payment \$	
Reporting Period <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly	Budget Type <input type="checkbox"/> Initial <input checked="" type="checkbox"/> Regular Report <input type="checkbox"/> Rent Change <input type="checkbox"/> SMR <input type="checkbox"/> Other Servicing	Project Rental Type <input checked="" type="checkbox"/> Family <input type="checkbox"/> Elderly <input type="checkbox"/> Congregate <input type="checkbox"/> Group Home <input type="checkbox"/> Mixed <input type="checkbox"/> LH	Profit Type <input type="checkbox"/> Full Profit <input type="checkbox"/> Limited Profit <input checked="" type="checkbox"/> Non-Profit	The following utilities are master metered: <input type="checkbox"/> Electricity <input type="checkbox"/> Gas <input type="checkbox"/> Water <input type="checkbox"/> Sewer <input type="checkbox"/> Trash <input type="checkbox"/> Other _____	
				<input checked="" type="checkbox"/> I hereby request x _____ units of RA. Current number of RA units 5 Borrower Accounting Method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual	

PART I-CASH FLOW STATEMENT

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
BEGINNING DATES>	07-01-2017	07-01-2017	07-01-2018	
ENDING DATES>	06-30-2018	02-28-2018	06-30-2019	
OPERATIONAL CASH SOURCES				
1. RENTAL INCOME	294,240.00	183,624.00	302,964.00	
2. RHS RENTAL ASSISTANCE RECEIVED		11,920.00		
3. APPLICATION FEES RECEIVED				
4. LAUNDRY AND VENDING	15,500.00	10,111.00	15,500.00	
5. INTEREST INCOME	2,000.00	1,827.00	2,750.00	
6. TENANT CHARGES	660.00	297.00	660.00	
7. OTHER -PROJECT SOURCES				
8. LESS (Vacancy and Contingency Allowance)	(14,712.00)		(15,148.00)	
9. LESS (Agency Approved Incentive Allowance)	()		()	
10. SUB-TOTAL [(1 thru 7) - (8 & 9)]	297,688.00	207,779.00	306,726.00	
NON-OPERATIONAL CASH SOURCES				
11. CASH-NON PROJECT				
12. AUTHORIZED LOAN (Non-RHS)				
13. TRANSFER FROM RESERVE			85,525.00	
14. SUB-TOTAL (11 thru 13)	0.00	0.00	85,525.00	
15. TOTAL CASH SOURCES (10+14)	297,688.00	207,779.00	392,251.00	
OPERATIONAL CASH USES				
16. TOTAL O&M EXPENSES (From Part II)	278,321.00	133,669.00	268,707.00	
17. RHS DEBT PAYMENT	6,601.00	4,400.00	6,601.00	
18. RHS PAYMENT (Overage)				
19. RHS PAYMENT (Late Fee)				
20. REDUCTION IN PRIOR YEAR PAYABLES				
21. TENANT UTILITY PAYMENTS				
22. TRANSFER TO RESERVE	29,700.00	21,471.00	29,700.00	
23. RETURN TO OWNER/NP ASSET MANAGEMENT FEE...				
24. SUB-TOTAL (16 thru 23)	314,622.00	159,540.00	305,008.00	
NON-OPERATIONAL CASH USES				
25. AUTHORIZED DEBT PAYMENT (Non-RHS)				
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6)			85,525.00	
27. MISCELLANEOUS				
28. SUB-TOTAL (25 thru 27)	0.00	0.00	85,525.00	
29. TOTAL CASH USES (24+28)	314,622.00	159,540.00	390,533.00	
30. NET CASH (DEFICIT) (15- 29)	(16,934.00)	48,239.00	1,718.00	
CASH BALANCE				
31. BEGINNING CASH BALANCE	148,973.00	107,893.00	199,919.00	
32. ACCRUAL TO CASH ADJUSTMENT		43,787.00		
33. ENDING CASH BALANCE (30+31+32)	132,039.00	199,919.00	201,637.00	

According to the Paperwork Reduction Act of 1995, an agency may not conduct sponsor and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

PART II-OPERATING AND MAINTENANCE EXPENSE SCHEDULE

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL	12,250.00	7,301.00	11,328.00	
2. MAINTENANCE AND REPAIRS SUPPLY	4,200.00	1,189.00	4,200.00	
3. MAINTENANCE AND REPAIRS CONTRACT	15,000.00	6,812.00	15,000.00	
4. PAINTING	3,000.00	41.00	3,000.00	
5. SNOW REMOVAL				
6. ELEVATOR MAINTENANCE/CONTRACT				
7. GROUNDS	16,000.00	8,574.00	16,000.00	
8. SERVICES	1,900.00	2,074.00	2,200.00	
9. ANNUAL CAPITAL BUDGET (From Part V- Operating)	32,825.00	1,633.00	17,950.00	
10. OTHER OPERATING EXPENSES (Itemize)				
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10)	85,175.00	27,624.00	69,678.00	
12. ELECTRICITY <input type="checkbox"/> If master metered	3,900.00	1,666.00	3,900.00	
13. WATER <input type="checkbox"/> check box on	11,000.00	10,772.00	16,000.00	
14. SEWER <input type="checkbox"/> front	14,000.00	9,517.00	15,500.00	
15. FUEL (Oil/Coal/Gas)	2,500.00	743.00	2,500.00	
16. GARBAGE & TRASH REMOVAL	19,600.00	12,648.00	21,000.00	
17. OTHER UTILITIES				
18. SUB-TOTAL UTILITIES (12 Thru 17)	51,000.00	35,346.00	58,900.00	
19. SITE MANAGEMENT PAYROLL	69,238.00	38,502.00	64,341.00	
20. MANAGEMENT FEE				
21. PROJECT AUDITING EXPENSE	750.00		750.00	
22. PROJECT BOOKKEEPING/ACCOUNTING				
23. LEGAL EXPENSES	300.00	110.00	300.00	
24. ADVERTISING	950.00	29.00	950.00	
25. TELEPHONE & ANSWERING SERVICE	1,236.00	283.00	1,236.00	
26. OFFICE SUPPLIES	1,300.00	555.00	1,300.00	
27. OFFICE FURNITURE & EQUIPMENT	1,500.00	1,115.00	1,500.00	
28. TRAINING EXPENSE	1,000.00	256.00	1,000.00	
29. HEALTH INS. & OTHER EMP. BENEFITS	28,237.00	17,564.00	32,642.00	
30. PAYROLL TAXES				
31. WORKMAN'S COMPENSATION	6,440.00	3,934.00	4,915.00	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize)	9,995.00	5,557.00	9,995.00	
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32)	120,946.00	67,905.00	118,929.00	
34. REAL ESTATE TAXES				
35. SPECIAL ASSESSMENTS				
36. OTHER TAXES, LICENSES& PERMITS				
37. PROPERTY& LIABILITY INSURANCE	4,500.00	2,794.00	4,500.00	
38. FIDELITY COVERAGE INSURANCE				
39. OTHER INSURANCE	16,700.00		16,700.00	
40. SUB-TOTAL TAXES& INSURANCE (34 thru 39)	21,200.00	2,794.00	21,200.00	
41. TOTAL O&M EXPENSES (11 +18+33+40)	278,321.00	133,669.00	268,707.00	

PART III-ACCOUNT BUDGETING/STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE	814,381.00	825,102.00	917,241.00	
2. TRANSFER TO RESERVE	29,700.00	92,139.00	29,700.00	
TRANSFER FROM RESERVE				
3. OPERATING DEFICIT				
4. ANNUAL CAPITAL BUDGET (<i>Part V - Reserve</i>)	0.00	0.00	85,525.00	
5. BUILDING & EQUIPMENT REPAIR				
6. OTHER NON-OPERATING EXPENSES				
7. TOTAL (3 thru 6)	(0.00)	(0.00)	(85,525.00)	
8. ENDING BALANCE [(1 +2)-7]	844,081.00	917,241.00	861,416.00	

GENERAL OPERATING ACCOUNT:*

BEGINNING BALANCE

ENDING BALANCE

138,837.00
199,919.00

REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:*

BEGINNING BALANCE

ENDING BALANCE

TENANT SECURITY DEPOSIT ACCOUNT:*

BEGINNING BALANCE

ENDING BALANCE

20,374.00
20,360.00

(*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON THE WAITING LIST

473

NUMBER OF APPLICANTS NEEDING RA

--

RESERVE ACCT. REQ. BALANCE

917,241.00

AMOUNT AHEAD/BEHIND

PART IV-RENT SCHEDULE AND UTILITY ALLOWANCE

A CURRENT APPROVED RENTS/ UTILITY ALLOWANCE

UNIT DESCRIPTION			RENTAL RATE S			POTENTIAL INCOME FROM EACH RATE			UTILITY ALLOWANCE
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
2 BR		16	708.00			135,936.00			65.00
3 BR		17	776.00			158,304.00			81.00
CURRENT RENT TOTALS:						\$294,240.00	\$0	\$0.00	
						BASIC	NOTE	HUD	

B. PROPOSED RENTS - Effective Date: 07-01-2018

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE		
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD
2 BR		16	729.00			139,968.00		0.00
3 BR		17	799.00			162,996.00		0.00
								0.00
								0.00
								0.00
								0.00
								0.00
								0.00
								0.00
								0.00
PROPOSED RENT TOTALS:						302,964.00	0.00	0.00
						BASIC	NOTE	HUD

C: PROPOSED UTILITY ALLOWANCE - Effective Date: 07-01-2018

MONTHLY DOLLAR ALLOWANCES

BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
2		16	54.00	51.00				8.00	113.00
3		17	63.00	62.00				8.00	133.00

PART V - ANNUAL CAPITAL BUDGET


		Proposed Number of Units/Items	Proposed from Reserve	Actual from Reserve	Proposed from Operating	Actual from Operating	Actual Total Cost	Total Actual Units/Items
Appliances:								
	Range	2			1,400			
	Refrigerator							
	Range Hood							
	Washers & Dryers							
	Other:							
Carpet & Vinyl:								
	1BR							
	2BR	5			11,550			
	3BR	5	15,525					
	4BR							
	Other:							
Cabinets:								
	Kitchens							
	Bathrooms							
	Other:							
Doors:								
	Exterior							
	Interior							
	Other:							
Window Coverings:								
	List:							
	Other:							
Heating & Air Conditioning:								
	Heating							
	Air Conditioning							
	Other:							
Plumbing:								
	Water Heater	2			2,500			
	Bath Sinks							
	Kitchen Sinks							
	Faucets							
	Toilets							
	Other:							
Major Electrical:								
	List:							
	Other:							
Structures:								
	Windows							
	Screens							
	Walls							
	Roofing							
	Siding							
	Exterior Painting		50,000					
	Other: Wood Repair		10,000					
Paving:								
	Asphalt							
	Concrete							
	Seal & Stripe							
	Other:							
Landscape & Grounds:								
	Landscaping				2,500			
	Lawn Equipment							
	Fencing							
	Recreation Area							
	Signs							
	Other:							
Accessibility Features:								
	List:							
	Other:							
Automation Equipment:								
	Site Management							
	Common Area							
	Other:							
Other:								
	List: Led Lighting		10,000					
	List:							
	List:							
TOTAL CAPITAL EXPENSES:			85,525		17,950			

PART VI – SIGNATURES, DATES AND COMMENTS

Warning: Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THAT THE FOREGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

4-19-18
 (DATE)


 (Signature of Borrower or Borrower's Representative)

Finance Director
 (Title)


AGENCY APPROVAL (Rural Development Approval Official): <i>Sylvia Barbosa, Area Specialist</i>	DATE: <i>4/30/18</i>
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COMMENTS:

Part II - Operating & Maintenance Expense Schedule, Line 32 - Other Administrative Expenses

	Budget 17-18	Proposed Budget 18-19	YTD at 2-28-18
Travel	853	853	68
Office Rental Lease	6,300	6,300	2,991
Postage	1,600	1,600	787
Contracted Services	517	517	1,451
Commissioner Meetings/Stipend	50	50	35
Collection Losses	400	400	-
Misc	75	75	16
Membership/Dues	200	200	148
Subscriptions			16
Ergonomic Equip.			45
Total	9,995	9,995	5,557

Budget approved subject to the following Condition:

- 1. All reserve request that exceed \$5000.00 must be submitted to USDA-RD with the required bids for Agency review and approval*
- 

AGENDA ITEM SUMMARY

MEETING DATE: June 27, 2018

ITEM NUMBER: 3E

FROM: Executive Director

SUBJECT: USDA Approval of Tierra Alta FY 2018-19 Budget

RECOMMENDATION: Adopt **Resolution No. 2018-10:** Approval of Fiscal Year 2018-19 Budget for U.S. Department of Agriculture, Rural Development, Farm Labor Housing at 101 Tierra Alta Drive, Watsonville, CA (“Tierra Alta”)

BACKGROUND SUMMARY:

USDA has approved the Housing Authority’s budget for fiscal year 2018-19 for the USDA Farm Labor Housing at Tierra Alta. The enclosed budget is based on the Tierra Alta portion of the board approved Agency budget last month with slight modifications incorporated as part of the USDA approval process. Decreases to Operating Transfers In over the prior budget year reflect HCD’s desire to cover a larger portion of the Capital Expenditures with operating cash reserves instead of restricted reserves. Debt service is reduced as a result of one of the USDA reaching maturity. This budget reflects a 3% increase in the rents, which is below the change in the San Francisco Area Consumer’s Price Index of 3.6%. The rent changes are as follows:

UNIT SIZE	PRESENT RENT	PROPOSED RENT	INCREASE
2 BR	\$864	\$890	\$26
3 BR	\$939	\$967	\$28

The operating budget, as summarized below, projects increases in rental income and capital expenditures:

	<u>17-18</u>	<u>18-19</u>	Increase <u>(Decrease)</u>
Rental Income	379,080	390,432	11,352
Interest Income	1,400	2,100	700
Other revenue	14,700	17,700	3,000
Operating Transfers In	179,711	161,041	(18,670)
Less vacancy Allowance	<u>(18,954)</u>	<u>(19,522)</u>	<u>(568)</u>
Total Revenue	555,937	551,751	(4,186)
Maintenance & Operations	59,767	58,511	(1,256)
Utilities	99,084	99,084	-0-
Administrative	129,394	127,322	(2,072)
Taxes & Insurance	4,850	4,850	-0-
Debt Service	13,990	4,034	(9,956)
Capital Expenditures	221,400	231,700	10,300
Transfers to reserves	<u>26,250</u>	<u>26,250</u>	<u>-0-</u>
Total Expense	554,735	551,751	(2,984)
Net Profit (Loss)	1,202	-0-	(1,202)

RECOMMENDATION: Adopt **Resolution No. 2018-10**: Approval of Fiscal Year 2018-19 Budget for U.S. Department of Agriculture, Rural Development, Farm Labor Housing at 101 Tierra Alta Drive, Watsonville, CA (“Tierra Alta”)

**BEFORE THE HOUSING AUTHORITY OF THE COUNTY
OF SANTA CRUZ, STATE OF CALIFORNIA**

RESOLUTION NO. 2018-10

On the motion of Commissioner
Duly seconded by Commissioner

The Following Resolution is Adopted:

**RESOLUTION ADOPTING FISCAL YEAR 2018-19 BUDGET FOR
UNITED STATES DEPARTMENT OF AGRICULTURE, RURAL
DEVELOPMENT, FARM LABOR HOUSING AT 101 TIERRA
ALTA DRIVE, WATSONVILLE, CA (“TIERRA ALTA”)**

WHEREAS, The United States Department of Agriculture, Rural Development, (“USDA”) provided initial development financing, for 36 units of Farm Labor Housing at Tierra Alta, and;

WHEREAS, annual project budgets must be submitted to USDA for review and approval prior to adoption by the Housing Authority Board of Commissioners, and;

WHEREAS, the fiscal year 2018-19 (July 1, 2018 - June 30, 2019) project budget submitted to USDA was approved.

NOW, THEREFORE, BE IT RESOLVED that the budget for fiscal year 2018-19 for USDA Farm Labor Housing at Tierra Alta be approved, and the Executive Director, Jennifer Panetta, be authorized to conduct all business, and execute any and all documents and agreements necessary for project operation, pursuant to the newly approved budget.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Santa Cruz, State of California, this Twenty Seventh Day of June, 2018 by the following vote:

AYES:

NOES:

ABSENT:

Chairperson of the Authority

ATTEST:

Secretary of the Authority



Rural Development

April 30, 2018

Salinas Office

744-A LaGuardia Street
Salinas, CA
93905

Voice: 831-975-7740
Fax: 844-206-7009

NOTICE OF APPROVED RENT AND UTILITY ALLOWANCE CHANGE

Ondrea Starzhevskiy, Controller
Housing Authority of the County of Santa Cruz
2931 Mission Street
Santa Cruz, CA 95060

SUBJECT: Tierra Alta

Dear Mr. Pomeroy:

You are hereby notified that USDA Rural Development has reviewed the rents (occupancy charge) and utility allowances changes for the ***Tierra Alta***, and considered all justifications provided by project management (and comments provided by tenants). USDA Rural Development has approved the following rent (occupancy charge) and/or utility allowance rates listed below. The changes for all units will become effective on ***July 1, 2018***.

The approved changes are as follows:

Unit Size	Present Rent (Occupancy Charge)		New Approved Rent (Occupancy Charge)		Amount Changed
	Basic	Note Rate	Basic	Note Rate	
Efficiency					
2-Bedroom	\$864.00	\$864.00	\$890.00	\$890.00	\$26.00
3-Bedroom	\$939.00	\$939.00	\$967.00	\$967.00	\$28.00

The approved utility allowance changes are as follows:

Unit Size	Present Utility Allowance	New Approved Utility Allowance	Amount Changed
Efficiency			
2-Bedroom	\$63.00	\$105.00	\$42.00
3-Bedroom	\$73.00	\$130.00	\$43.00

Should you have any questions or concerns, you may contact Rural Development. The Rural Development Servicing Office address is:

**USDA Rural Development
744-A LaGuardia Street
Salinas, CA 93905
831-757-5294 Ext. 107**

You must notify the tenants (members) of Rural Development's approval of the rent (occupancy charge) and utility allowance changes by posting this letter in the same manner as the "NOTICE TO TENANTS (MEMBERS) OR PROPOSED RENT (OCCUPANCY CHARGE) AND UTILITY ALLOWANCE CHANGE". This notification must be posted in a conspicuous place and cannot be substituted for the usual written notice to each individual tenant (members).

This approval does not authorize you to violate the terms of any lease (occupancy agreement) you currently have with your tenants (members).

For those tenants (members) receiving rental assistance (RA), their costs for rent (occupancy charge) and utilities will continue to be based on the higher of 30 percent of their adjusted monthly income or 10 percent of gross monthly income or if the household is receiving payments for public assistance from a public agency, the portion of such payments which is specifically designated by that agency to meet the household's shelter cost. If tenants are receiving Housing and Urban Development (HUD) Section 8 subsidy assistance, their cost for rent and utilities will be determined by the current HUD formula.

You may file an appeal regarding the rate and utility allowance change as approved. An appeal must be received in the Regional Office no later than 30 calendar days after receipt of the adverse decision. The appeal should state what agency decision is being appealed and should include, if possible a copy of the adverse decision and a brief statement of why the decision is wrong. A copy of the appeal request should be sent to the agency.

You must inform the tenants (members) of their right to request an explanation of the rate and utility allowance change approval decision within 45 days of the date of this notice by writing to ***Violet Gomes, Area Specialist, 744-A LaGuardia Street, Salinas, CA 93905***. All tenants (members) are required to pay the changed amount of rent (occupancy charge) as indicated in the notice of approval.

Any tenant who does not wish to pay the Rural Development approved rent changes may give the owner a 30-day notice that they will vacate. The tenant will suffer no penalty as a result of the decision to vacate, and will not be required to pay the changed rent. However, if the tenant later decides to remain in the unit, the tenant will be required to pay the changed rent from the effective date of the change rent.

Sincerely,



Sylvia Barbosa, Area Specialist

Attachment

**MULTIPLE FAMILY HOUSING PROJECT BUDGET/
UTILITY ALLOWANCE**

PROJECT NAME Tierra Alta		BORROWER NAME Housing Authority		BORROWER ID AND PROJECT NO. 941699385 5-01	
Loan/Transfer Amount \$		Note Rate Payment \$		IC Payment \$	
Reporting Period <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly	Budget Type <input type="checkbox"/> Initial <input checked="" type="checkbox"/> Regular Report <input type="checkbox"/> Rent Change <input type="checkbox"/> SMR <input type="checkbox"/> Other Servicing	Project Rental Type <input checked="" type="checkbox"/> Family <input type="checkbox"/> Elderly <input type="checkbox"/> Congregate <input type="checkbox"/> Group Home <input type="checkbox"/> Mixed <input type="checkbox"/> LH	Profit Type <input type="checkbox"/> Full Profit <input type="checkbox"/> Limited Profit <input checked="" type="checkbox"/> Non-Profit	The following utilities are master metered: <input type="checkbox"/> Electricity <input type="checkbox"/> Gas <input type="checkbox"/> Water <input type="checkbox"/> Sewer <input type="checkbox"/> Trash <input type="checkbox"/> Other _____	
				<input checked="" type="checkbox"/> I hereby request x _____ units of RA. Current number of RA units 10 Borrower Accounting Method <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual	

PART I-CASH FLOW STATEMENT

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
BEGINNING DATES>	07-01-2017	07-01-2017	07-01-2018	
ENDING DATES>	06-30-2018	02-28-2018	06-30-2019	
OPERATIONAL CASH SOURCES				
1. RENTAL INCOME	379,080.00	221,072.00	390,432.00	
2. RHS RENTAL ASSISTANCE RECEIVED		31,586.00		
3. APPLICATION FEES RECEIVED				
4. LAUNDRY AND VENDING	14,000.00	11,675.00	17,000.00	
5. INTEREST INCOME	1,400.00	1,393.00	2,100.00	
6. TENANT CHARGES	700.00	929.00	700.00	
7. OTHER -PROJECT SOURCES				
8. LESS (Vacancy and Contingency Allowance)	(18,954.00)		(19,522.00)	
9. LESS (Agency Approved Incentive Allowance)	()		()	
10. SUB-TOTAL [(1 thru 7) - (8 & 9)]	376,226.00	266,655.00	390,710.00	
NON-OPERATIONAL CASH SOURCES				
11. CASH-NON PROJECT				
12. AUTHORIZED LOAN (Non-RHS)				
13. TRANSFER FROM RESERVE	90,000.00	49,645.00	162,000.00	
14. SUB-TOTAL (11 thru 13)	90,000.00	49,645.00	162,000.00	
15. TOTAL CASH SOURCES (10+14)	466,226.00	316,300.00	552,710.00	
OPERATIONAL CASH USES				
16. TOTAL O&M EXPENSES (From Part II)	424,495.00	180,692.00	359,467.00	
17. RHS DEBT PAYMENT	13,990.00	9,976.00	4,034.00	
18. RHS PAYMENT (Overage)				
19. RHS PAYMENT (Late Fee)				
20. REDUCTION IN PRIOR YEAR PAYABLES				
21. TENANT UTILITY PAYMENTS				
22. TRANSFER TO RESERVE	26,250.00	18,759.00	26,250.00	
23. RETURN TO OWNER/NP ASSET MANAGEMENT FEE				
24. SUB-TOTAL (16 thru 23)	464,735.00	209,427.00	389,751.00	
NON-OPERATIONAL CASH USES				
25. AUTHORIZED DEBT PAYMENT (Non-RHS)				
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6)	90,000.00	49,645.00	162,000.00	
27. MISCELLANEOUS				
28. SUB-TOTAL (25 thru 27)	90,000.00	49,645.00	162,000.00	
29. TOTAL CASH USES (24+28)	554,735.00	259,072.00	551,751.00	
30. NET CASH (DEFICIT) (15- 29)	(88,509.00)	57,228.00	959.00	
CASH BALANCE				
31. BEGINNING CASH BALANCE	176,919.00	133,138.00	133,548.00	
32. ACCRUAL TO CASH ADJUSTMENT		(56,818.00)		
33. ENDING CASH BALANCE (30+31+32)	88,410.00	133,548.00	134,507.00	

According to the Paperwork Reduction Act of 1995, an agency may not conduct sponsor and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. The time required to complete this information collection is estimated to average 2 1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

PART II-OPERATING AND MAINTENANCE EXPENSE SCHEDULE

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL	13,250.00	7,733.00	11,994.00	
2. MAINTENANCE AND REPAIRS SUPPLY	6,000.00	1,393.00	6,000.00	
3. MAINTENANCE AND REPAIRS CONTRACT	18,000.00	8,039.00	18,000.00	
4. PAINTING	1,500.00	0.00	1,500.00	
5. SNOW REMOVAL				
6. ELEVATOR MAINTENANCE/CONTRACT				
7. GROUNDS	19,000.00	14,543.00	19,000.00	
8. SERVICES	2,017.00	1,037.00	2,017.00	
9. ANNUAL CAPITAL BUDGET (From Part V- Operating)	131,400.00	4,157.00	69,700.00	
10. OTHER OPERATING EXPENSES (Itemize)				
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10)	191,167.00	36,902.00	128,211.00	
12. ELECTRICITY <input type="checkbox"/> If master metered	13,000.00	8,654.00	13,000.00	
13. WATER <input type="checkbox"/> check box on	2,500.00	1,127.00	2,500.00	
14. SEWER <input type="checkbox"/> front	44,584.00	33,637.00	44,584.00	
15. FUEL (Oil/Coal/Gas)	2,000.00	921.00	2,000.00	
16. GARBAGE & TRASH REMOVAL	37,000.00	24,272.00	37,000.00	
17. OTHER UTILITIES				
18. SUB-TOTAL UTILITIES (12 Thru 17)	99,084.00	68,611.00	99,084.00	
19. SITE MANAGEMENT PAYROLL	73,211.00	40,735.00	68,071.00	
20. MANAGEMENT FEE				
21. PROJECT AUDITING EXPENSE	800.00	0.00	800.00	
22. PROJECT BOOKKEEPING/ACCOUNTING				
23. LEGAL EXPENSES	1,000.00	117.00	1,000.00	
24. ADVERTISING	1,500.00	267.00	1,500.00	
25. TELEPHONE & ANSWERING SERVICE	1,250.00	299.00	1,250.00	
26. OFFICE SUPPLIES	1,600.00	587.00	1,600.00	
27. OFFICE FURNITURE & EQUIPMENT	2,500.00	1,180.00	2,500.00	
28. TRAINING EXPENSE	1,000.00	271.00	1,000.00	
29. HEALTH INS. & OTHER EMP. BENEFITS	29,856.00	18,612.00	34,538.00	
30. PAYROLL TAXES				
31. WORKMAN'S COMPENSATION	6,817.00	4,329.00	5,203.00	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize)	9,860.00	5,818.00	9,860.00	
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32)	129,394.00	72,215.00	127,322.00	
34. REAL ESTATE TAXES				
35. SPECIAL ASSESSMENTS				
36. OTHER TAXES, LICENSES& PERMITS				
37. PROPERTY& LIABILITY INSURANCE	4,850.00	2,964.00	4,850.00	
38. FIDELITY COVERAGE INSURANCE				
39. OTHER INSURANCE				
40. SUB-TOTAL TAXES& INSURANCE (34 thru 39)	4,850.00	2,964.00	4,850.00	
41. TOTAL O&M EXPENSES (11 +18+33+40)	424,495.00	180,692.00	359,467.00	

PART III-ACCOUNT BUDGETING/STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE	630,523.00	619,979.00	617,197.00	
2. TRANSFER TO RESERVE	26,250.00	46,863.00	26,250.00	
TRANSFER FROM RESERVE				
3. OPERATING DEFICIT				
4. ANNUAL CAPITAL BUDGET (Part V - Reserve)	90,000.00	49,645.00	162,000.00	
5. BUILDING & EQUIPMENT REPAIR				
6. OTHER NON-OPERATING EXPENSES				
7. TOTAL (3 thru 6)	(90,000.00)	(49,645.00)	(162,000.00)	
8. ENDING BALANCE [(1 +2)-7]	566,773.00	617,197.00	481,447.00	

GENERAL OPERATING ACCOUNT:*

BEGINNING BALANCE	133,138.00	
ENDING BALANCE	133,548.00	

REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:*

BEGINNING BALANCE		
ENDING BALANCE		

TENANT SECURITY DEPOSIT ACCOUNT:*

BEGINNING BALANCE	26,558.00	
ENDING BALANCE	26,558.00	

(*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON THE WAITING LIST	473	RESERVE ACCT. REQ. BALANCE	617,197.00
NUMBER OF APPLICANTS NEEDING RA		AMOUNT AHEAD/BEHIND	

PART IV-RENT SCHEDULE AND UTILITY ALLOWANCE

A CURRENT APPROVED RENTS/ UTILITY ALLOWANCE

UNIT DESCRIPTION			RENTAL RATE S			POTENTIAL INCOME FROM EACH RATE			UTILITY ALLOWANCE
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD	
2 BR		17	864.00			176,256.00			63.00
3 BR		18	939.00			202,824.00			76.00
CURRENT RENT TOTALS:						\$379,080.00	\$0	\$0.00	
						BASIC	NOTE	HUD	

B. PROPOSED RENTS - Effective Date: 07-01-2018

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE		
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD
2 BR		17	890.00			181,560.00		0.00
3 BR		18	967.00			208,872.00		0.00
								0.00
								0.00
								0.00
								0.00
								0.00
								0.00
								0.00
PROPOSED RENT TOTALS:						390,432.00	0.00	0.00
						BASIC	NOTE	HUD

C: PROPOSED UTILITY ALLOWANCE - Effective Date: 07-01-2018

MONTHLY DOLLAR ALLOWANCES

BR SIZE	UNIT TYPE	NUMBER	ELECTRIC	GAS	WATER	SEWER	TRASH	OTHER	TOTAL
2		17	54.00	51.00					105.00
3		18	69.00	61.00					130.00

PART V - ANNUAL CAPITAL BUDGET

	Proposed Number of Units/Items	Proposed from Reserve	Actual from Reserve	Proposed from Operating	Actual from Operating	Actual Total Cost	Total Actual Units/Items
Appliances:							
Range	3			2,100			
Refrigerator	3			2,100			
Range Hood							
Washers & Dryers							
Other:							
Carpet & Vinyl:							
1BR							
2BR	1			4,500			
3BR	1			5,000			
4BR							
Other:							
Cabinets:							
Kitchens							
Bathrooms							
Other:							
Doors:							
Exterior							
Interior							
Other:							
Window Coverings:							
List:							
Other:							
Heating & Air Conditioning:							
Heating							
Air Conditioning							
Other:							
Plumbing:							
Water Heater	2			2,500			
Bath Sinks							
Kitchen Sinks							
Faucets							
Toilets							
Other:							
Major Electrical:							
List:							
Other:							
Structures:							
Windows							
Screens							
Walls							
Roofing							
Siding							
Exterior Painting				50,000			
Other: Wood Repair			12,000				
Paving:							
Asphalt							
Concrete							
Seal & Stripe							
Other:							
Landscape & Grounds:							
Landscaping				3,500			
Lawn Equipment							
Fencing							
Recreation Area							
Signs							
Other:							
Accessibility Features:							
List:							
Other:							
Automation Equipment:							
Site Management							
Common Area							
Other:							
Other:							
List: Wastewater Upgrades (Est)			150,000				
List:							
List:							
TOTAL CAPITAL EXPENSES:		162,000		69,700			

PART VI -- SIGNATURES, DATES AND COMMENTS

Warning: Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THAT THE FOREGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

4-19-18
 (DATE)


 (Signature of Borrower or Borrower's Representative)

Finance Director
 (Title)

AGENCY APPROVAL (Rural Development Approval Official):
Sylvia Barbosa, Area Specialist **DATE:** 4/30/18

COMMENTS:

Part II - Operating & Maintenance Expense Schedule, Line 32 - Other Administrative Expenses

	Budget 17-18	Proposed Budget 18-19	YTD at 2-28-18
Travel	765	565	72
Office Rental Lease	6,700	6,700	3,165
Postage	1,700	1,700	833
Contracted Services	300	300	289
Membership/Dues	225	225	156
Commissioner Meetings/Stipend	70	70	37
Misc	100	150	17
Subscriptions		50	16
Computer Services		100	1,233
Collections Losses- W/O			-
Total	9,860	9,860	5,818

Budget approved subject to the following condition
 1. All reserve request that exceed \$5000.00 must be submitted to USDA-RD with the required bids for agency review and approval.
 (B)

AGENDA ITEM SUMMARY

MEETING DATE: June 27, 2018

ITEM NUMBER: 3F

FROM: Executive Director

SUBJECT: File Review Appointment – Sample Letter

RECOMMENDATION: Receive Draft Revision of File Review Appointment Letter

BACKGROUND SUMMARY:

At the May 2018 Board of Commissioners meeting, a discussion took place regarding the Agency's process of interviewing program participants to investigate possible program violations or fraud. During the meeting, the Board directed staff to provide a copy of a revision to the file review appointment letter, which emphasized the importance of the meeting, but did not describe the meeting as mandatory. Attached is a revision to the File Review Appointment letter incorporating this feedback from the Board.

RECOMMENDATION: Receive Draft Revision of File Review Appointment Letter



2931 Mission Street | Santa Cruz, California 95060 | Tel: 831.454.9455 | Fax: 831.469.3712 | www.hacosantacruz.org
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File Review Appointment – Sample Letter

Date

Tenant Name
Address Line 1
Address Line 2

Re: Appointment to Discuss Possible Program Violations

Dear (insert name),

The Housing Authority would like to meet with you to discuss possible program violations such as (insert reason. example: unreported income or unauthorized household members). Please be aware that violating program rules could result in losing your housing assistance, and potentially being required to pay back any assistance that was overpaid on your behalf.

Your appointment has been scheduled for the following date and time. If you cannot attend the appointment at this time, please call the Housing Authority at (insert phone number) within five (5) business days of the appointment to reschedule.

Meeting Time and Location

Wednesday July 18th, at 2:00pm
Housing Authority of the County of Santa Cruz
2160 41st Avenue Capitola CA 95010

During this meeting, you will have an opportunity to discuss and review the possible program violations and information we have. You may bring a family member, advocate, or lawyer with you to assist you in the meeting. During the meeting, you may be asked personal questions. It is important to provide true and complete statements. You should be aware that you can be held legally responsible for giving the Housing Authority false information. The information we discuss at the meeting could be used against you if we pursue termination from the program. Additionally, failure to provide the Housing Authority with the information we need to determine your correct level of assistance could be grounds for termination. You may decide not to attend this appointment or to attend and remain silent, but this is your opportunity to explain your point of view.

If you have any questions, please call (insert contact information) Monday – Thursday from 8:00am to 5:00pm.

Thank you,

Program Integrity Department

AGENDA ITEM SUMMARY

MEETING DATE: June 27, 2018

ITEM NUMBER: 6A

FROM: Executive Director

SUBJECT: Addition to Administrative Plan – Phippen Orchard Site Based Waiting List

RECOMMENDATION: Approve Addition to Administrative Plan Regarding Phippen Orchard Site Based Waiting List

BACKGROUND SUMMARY:

The Department of Housing and Urban Development (HUD) allows Public Housing Authorities (PHA) to use a separate waiting list for Project Based Voucher (PBV) units in individual projects or buildings. Additionally, Section 1 (on Page 4) of our Administrative Plan states the following: “Project-Based Voucher sites may have separate site based waiting lists, as listed below. The Housing Authority will consider the establishment of additional site-based waiting lists for new Project Based Voucher contracts on a case by case basis.”

Phippen Orchard Apartments, which have been granted Project Based Vouchers, is currently under construction and is expected to be ready for occupancy this Fall. In preparation for occupancy by Project Based Voucher assisted households, the Housing Authority proposes to add the following information to Section 1 of the Administrative Plan, describing the establishment of the waiting list for Phippen Orchard Apartments.

Pippin Orchards Apartments – Pippin Orchards Apartments is located at 56 Atkinson Lane, Watsonville. It is an apartment complex of 46 units, with 31 of those units designated for Project Based Vouchers. MP Pippin Associates, LP is the owner and MidPen Property Management Corporation is the property manager. The Housing Authority will administer the Pippin Orchards site based waiting list and make referrals to MidPen. Of the 31 project based units, 15 units, located in the unincorporated part of the County, will have a preference for families that either live or work in Santa Cruz County. The remaining 16 project based units, located in the City of Watsonville, have no residency preference. Applications will be processed based on a sequence established in a lottery. Six of the 31 units will be designated for disabled families, as defined by HUD, with a preference for those who would benefit most from supportive services offered at Pippin. Housing Choice Coalition, on behalf of the San Andreas Regional Center, will maintain an interest list for these units, and will make referrals directly to the Housing Authority as units become available. Up to two of the 31 units will be designated for persons aged 18-24 with disabilities who are experiencing homelessness, as defined by HUD. Encompass Community Services will maintain an interest list for these units, and will make referrals directly to the Housing Authority as units become available.

RECOMMENDATION: Approve Addition to Administrative Plan Regarding Phippen Orchard Site Based Waiting List

AGENDA ITEM SUMMARY

MEETING DATE: June 27, 2018

ITEM NUMBER: 6B

FROM: Executive Director

SUBJECT: Zoning Change for 2931 Mission Street and 415 Natural Bridges Drive

RECOMMENDATION: Approve Submission of Application for General Plan Amendment For the Purposes of Rezoning 2931 Mission Street and 415 Natural Bridges Drive to General Industrial (IG) Designation.

BACKGROUND SUMMARY:

The office building at 2931 Mission Street that the Housing Authority owns is currently zoned as Public Facility (PF). The zoning determination for any building that is located in the City of Santa Cruz is determined by the Santa Cruz Municipal Code Title 24 Zoning. By having a zoning designation of PF, it restricts the use of this building to the following uses unless we obtain a zoning change, zoning variance or special use permit: *Wireless telecommunications facilities, arts galleries and museums on public property, cemeteries, government facilities; local, state and federal, hospitals, libraries, schools, public utility, recreational facilities, publicly owned.*

As a result of this PF zoning, the types of uses for the building are very limited. We have approached the City of Santa Cruz Building Department and discussed the possibility of changing the zoning designation for this site from Public Facility (PF) to General Industrial (IG). The IG zoning designation allows for the greatest flexibility in uses and is the broadest zoning designation possible. See attached sheet with information from Santa Cruz Municipal Code Title 24 Zoning for possible uses associated with IG zoning.

During our discussion with the City about a potential zoning change for this building, we brought up our future plans to develop the Natural Bridges site with multi-family units and possibly expanding that site by taking a portion of land from our office building site to enable more housing units to be built. Currently, the zoning for the Natural Bridges lot is RL Multi Res (10.1 to 20 units per acre). In our discussion with the City, they suggested that we could submit a zoning change for our Natural Bridges site as well, and request it also be rezoned to IG. The City could also create a note in the General Plan, indicating that high density (30.1 to 40 per acre) multi-family use would be allowable at this site if all the units were affordable. By doing so, it would increase the number of units that could be built on that site from 10.1 to 20 per acre to 30.1 to 40 units per acre if all units were "affordable". The estimated costs to submit an application and forms necessary for a General Plan Amendment, Local Coastal Plan Amendment and Rezoning at 2931 Mission Street and 415 Natural Bridges would just under \$13,000. We would also need to do a traffic study. The cost of the traffic study is likely to be between \$4,000 - \$8,000 depending on complexity.

RECOMMENDATION: Approve Submission of Application for General Plan Amendment For the Purposes of Rezoning 2931 Mission Street and 415 Natural Bridges Drive to General Industrial (GI) Designation.

Part 16B: IG/PER-2: GENERAL INDUSTRIAL DISTRICT/PERFORMANCE DISTRICT

24.10.1600 PURPOSE.

The purpose of this General Industrial Performance District is to modify the normal general industrial land use classifications to provide for and encourage appropriate uses for economic development of the Westside industrial lands.

(Ord. 2007-13 § 1 (part), 2007).

24.10.1605 PRINCIPAL PERMITTED USES.

1. The following uses are allowed outright, subject to other requirements of the municipal code (numerical references at the end of these categories reflect the general use classifications listed in the city's land use codes. Further refinement of uses within these categories can be found in the land use codes, but they are not intended to be an exhaustive list of potential uses):

- a. Acting/art/music/dance schools and studios (610);
- b. Adult school/work force training (510F);
- c. Building materials/garden supply stores (220) with less than forty thousand square feet including indoor floor area and outdoor storage, display, or sales area. For building materials/garden supply stores of which fifty percent or more of the square footage will occupy an existing building, this threshold will be seventy-five thousand square feet including indoor floor area and outdoor storage, display, or sales areas so long as vacant, available space in existing buildings in the IG Zone exceeds four hundred thousand square feet. When the vacant, available square footage is less than four hundred thousand square feet, the forty-thousand-square-foot threshold will apply.
- d. Communication and information services (550);
- e. Financial, insurance, real estate offices (420);
- f. Fabricated metal products (150);
- g. Food and beverage preparation and production (100);

- h. Furniture and fixtures (120);
- i. Medical/health offices/laboratories, including cannabis testing (410);
- j. Millwork textile products (105);
- k. Other manufacturing and processing industries (except bulk petroleum, scrap and waste materials) (155);
- l. Primary metals and material subject to performance standards (145);
- m. Rubber, plastic, miscellaneous materials and products subject to performance standards (135);
- n. Printing and publishing or lithographic shops and plants;
- o. Professional offices (400);
- p. Professional/personal service (except mortuaries) (310);
- q. Rental service (360);
- r. Repair, alterations, maintenance (including boat repairs) (340);
- s. Small family daycare facility in a single-family home or duplex;
- t. Start-up fabrication assembly or packaging from light metals, prepared materials, or prefabricated parts, including electrical devices;
- u. Stone, clay, glass design and production (140);
- v. Storage warehousing (330);
- w. Technology related research and development facilities and products;
- x. Wholesale trade durable goods (210);
- y. Wholesale trade nondurable goods (200).

(Ord. 2017-21 § 6 (part), 2017: Ord. 2007-13 § 1 (part), 2007).

24.10.1610 USE PERMIT REQUIREMENT.

1. The following uses require an administrative use permit and are subject to other applicable requirements of the municipal code (numerical references at the end of these categories reflect the general use classifications listed in the city's land use codes. Subcategories of uses within these use categories can be found in the land use codes, but they are not intended to be an exhaustive list of potential uses):

- a. Agriculture (000);
- b. Auto services and repairs, including trucks, heavy equipment and auto towing, subject to performance standards in Section [24.12.900](#) (350);
- c. Cannabis cultivation, subject to the commercial cannabis regulations, Part 14 of Chapter [24.12](#);
- d. Cannabis distribution and warehousing, subject to the commercial cannabis regulations, Part 14 of Chapter [24.12](#);
- e. Cannabis manufacturing, subject to the commercial cannabis regulations, Part 14 of Chapter [24.12](#);
- f. Cannabis retail, subject to the commercial cannabis regulations, Part 14 of Chapter [24.12](#);
- g. Eating and drinking establishments, subject to live entertainment and alcohol regulations of Chapter [24.12](#) (280);
- h. Forestry services (010);
- i. Leather tanning (110);
- j. Off-site public/private parking facilities, five or more spaces (930);
- k. Temporary structures;
- l. Utilities and resources (540);
- m. Wireless telecommunications facilities, subject to the regulations in Chapter [24.12](#), Part 15.

2. The following uses require a special use permit and are subject to other applicable requirements of the municipal code. All industrial classifications from 125 to 145 shall comply with all performance standards listed in Part 2 of the Environmental Resource Management provisions (numerical references at the end of these categories reflect the general use classifications listed in the city's land use codes. Subcategories of uses within these use categories can be found in the land use codes, but they are not intended to be an exhaustive list of potential uses):

- a. Building material/garden supply stores (220) with forty thousand square feet or more including indoor floor area and outdoor storage, display, or sales areas. For building materials/garden supply stores of which fifty percent or more of the square footage will occupy an existing building, this threshold will be seventy-five thousand square feet including indoor floor area and outdoor storage, display, or sales areas so long as vacant, available space in existing buildings in the IG Zone exceeds four hundred thousand square feet. When the vacant, available square footage is less than four hundred thousand square feet, the forty-thousand-square-foot threshold will apply;
- b. Chemicals and allied products, subject to performance standards (130);
- c. Large family daycare homes;
- d. Food and beverage stores (except liquor and convenience stores) (240);
- e. Government and public agencies (530);
- f. Group quarters (850);
- g. Multiple dwellings or condominiums subject to R-M District regulations (830, 840);
- h. Paper and allied products subject to performance standards (125);
- i. Parks and recreation facilities, subject to alcohol regulations in Chapter [24.12](#), Part 12 (720);
- j. Single-room occupancy (SRO) housing (860) under the following conditions:
 - (1) The site is located within one-quarter mile (one thousand three hundred twenty feet) of a grocery store.
 - (2) The lot size is less than six thousand square feet.

(3) The SRO is part of a mixed use project, sharing the site and/or building with a use that is allowed under Section [24.10.1505](#), Principal Permitted Uses, is in conformance with Section [24.10.1540\(2\)](#), and complies with the following requirements:

(a) The SRO development and the mixed use business are under one ownership.

(b) The amount of building space occupied by the nonresidential use is either at a minimum equal to the SRO or residential use or the nonresidential use occupies the entire ground floor of the development.

(4) Ambient interior noise levels can be mitigated below forty-five decibels.

(5) Air quality on and around the site, including odors resulting from adjacent land uses, is not considered a potential health hazard and/or objectionable to residential use;

k. Transportation facilities (560).

(Ord. 2017-21 § 6 (part), 2017: Ord. 2016-11 § 31, 2016: Ord. 2007-13 § 1 (part), 2007).

24.10.1615 ACCESSORY USES.

1. Uses and buildings customarily appurtenant or incidental to uses listed in Section [24.10.1510](#) subject to the provisions of Section [24.12.140](#), including service facilities such as bank ATMs, cafeterias, employee recreation centers, daycare and other similar installations; intended solely for use by the occupants of a principal permitted use or uses.

2. Incidental retail sales unrelated to cannabis are a permitted use if:

a. The incidental retail sales are directly related to and supportive of a permitted or conditionally permitted use operating on the site; and

b. The incidental retail sales area occupies no more than twenty percent of the gross building floor area used or one thousand square feet, whichever is less, and occupied by the permitted or conditionally permitted use; and

c. The incidental retail sales have hours of operation similar to or less than the related permitted or conditionally permitted use except that the hours should not exceed 8:00 a.m. to 10:00 p.m.

(Ord. 2017-21 § 6 (part), 2017: Ord. 2007-13 § 1 (part), 2007).

24.10.1620 PROHIBITED USES.

1. Any manufacturing use involving the primary production of products from new materials found to be incompatible with the neighborhood or the city as a whole based on noise, odor, air quality or other adverse environmental impact shall be prohibited.
2. No use which either produces or utilizes asbestos in any manufacturing process shall be permitted.
3. Refinery of petroleum products or other industrial activities in support of off-shore oil drilling shall not be permitted.

(Ord. 2007-13 § 1 (part), 2007).

AGENDA ITEM SUMMARY

MEETING DATE: June 27, 2018

ITEM NUMBER: 8

FROM: Executive Director

SUBJECT: Executive Director's Report – June 27, 2018

RECOMMENDATION: Discussion

BACKGROUND SUMMARY:

Please call or e-mail me with questions you might have on any of the Agenda Items for the June 27, 2018 meeting. I would be happy to give you additional background or answer any of your questions in advance of the meeting. My direct line is 454-5931 and my email address is jennyp@hacosantacruz.org.

Financial Reports: Your packets today include our monthly unaudited financial reports which show revenue and expenses through May 2018 and a comparison against our approved budget(s) for FY 2017-18.

FMR Study: The Housing Authority has begun working with Applied Survey Research to conduct an updated FMR study with the goal of submitting the study in time for HUD's early July deadline. While the study was originally expected to cost \$25,000, it appears that additional surveying will be needed to get an adequate sample of recent movers, which will increase the cost of the study by approximately \$10,000. Each of the jurisdictions, along with several affordable housing developers, have agreed to contribute to the cost of the study for a total of over \$20,000 contributed by community partners. Applied Survey Research has been in communication with HUD to get feedback on the survey instrument, the list used for sampling, and preliminary datasets. HUD has agreed to accept the data as late as July 10th.

Office Move: The tenant improvements at the two office buildings are going well. The contractor anticipates being completed with their work by June 30th. Although the contractors are still finishing their improvements, installation of office cubicles has already begun. We are on track for a move date of Wednesday, July 11, 2018. The office would be closed on that Wednesday, Thursday and Friday, and we would plan to reopen on July 16th. Movers have been scheduled here at our Mission Street office on Wednesday, July 11th and expect to start moving our office furniture and belongings over to the new buildings. Waiting list applicants in active status, landlords, and program participants will be sent notifications of the upcoming move in early July. At the same time, we will post signs in our

lobby and information on our website about the upcoming move. On the re-opening date, we will send press releases to the local newspapers, conduct an “email blast” to those who have signed up for Housing Authority email updates, and email community partners (including local government, non-profits, the Chamber of Commerce and other partners). Since the public lobby area of the new building is very small and parking is limited, we do not plan a publicly promoted “ribbon-cutting” event. Instead, we will plan to have a small celebration with staff, and we will celebrate with the Board at our first regular meeting in the new location in August. I will also request a proclamation from the Board of Supervisors.

Legislative Update: After a disappointing draft budget from the Trump Administration proposing deep cuts, both the House and Senate Appropriations T-HUD subcommittees have recently released their draft 2019 appropriations bills. The House version proposes level funding in most areas (including Low Income Public Housing, Family Self Sufficiency, and administrative fees) with slight increases to other areas, including a proposed 2.6% increase for the HCV program and a 1% increase for homeless assistance grants. The Senate’s version is more positive, and maintains nearly all the gains from the 2018 funding bill while proposing increases in other areas. The draft Senate appropriation bill includes increases in the Public Housing Capital Fund and Operating Fund, Family Self Sufficiency Programs, and increased funding for Section 8 Housing Assistance Payments as well as badly needed increases to Administrative fees. In a mid-term election year, it is possible that neither bill will advance to the floor for some time. However, appropriators are much farther along in the process this year, and Senate Majority Leader McConnell has cancelled much of the August recess to facilitate work on spending bills. Therefore, it is possible the T-HUD bill could be included if spending packages are brought to the floor. In recent years, we have not known our funding for several months into the year. The passage of an on-time budget would be very helpful in planning for voucher issuance and utilization.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
BUDGET COMPARISON REPORTS**

June 27, 2018

Attached you will find the year to date reports as of May 31, 2018, which takes us 11 months, or 92%, into our fiscal year. The total of all revenue, excluding HAP reimbursements, is 87% of total budgeted, while HAP is 88% of the amount budgeted. Total expenses, excluding HAP payments, are 84% of the amount budgeted.

The agency as a whole is experiencing a year-to-date surplus of \$380,066 due mainly to capital expenditures being well under budget. The surplus and deficit by program group are as follows:

Section 8 Programs	\$194,626	Vouchers, Mod Rehab & Mob Rehab SRO
Federal Housing Programs	366,814	LIPH and USDA
Federal Grants	(59,231)	Shelter + Care, FSS, Transitional Hsg
State Grants	(7,544)	Migrant Center & MCCs
Local Programs	7,584	Eligibilities, Security Deposits, Tech Asst
Administrative Services	<u>(122,182)</u>	Includes 41st Ave. & Mission St. rents
	\$380,066	

The individual programs which show a year to date loss are:

41st Ave Office Building	(\$212,361)	(41st Ave related construction costs)
FSS	(\$38,710)	(Calendar year 2017 grant funds fully expended)
Shelter + Care	(\$31,704)	(Fiscal year 2017 grant funds fully expended)
City of Santa Cruz	(\$558)	(Administrative salary expenses exceed contract funds)
Buena Vista Migrant Center	(\$8,332)	(\$17k in operating expenses paid from reserves, per OMS)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - All Funds

May 2018

Fiscal Year Ending June 30, 2018

	2017-2018	2017-2018		
	Year	Annual	Budget	Budget
	to Date	Budget	Utilized	Remaining
Revenues:				
HAPS / Program	55,947,049	63,701,104	88%	12%
Administrative Fees	4,162,227	4,764,236	87%	13%
Grants / Contracts	2,286,956	2,621,675	87%	13%
Rental Income	2,388,993	2,604,412	92%	8%
Operating Transfers In	359,193	647,962	55%	45%
Other Income	240,539	242,835	99%	1%
Total Revenues:	65,384,956	74,582,224	88%	12%
Expenses:				
Housing Assistance Pmts	55,978,753	63,691,104	88%	12%
Salaries	3,148,411	3,742,613	84%	16%
Employee Benefits	1,255,455	1,570,319	80%	20%
Capital Purchases	833,016	1,507,375	55%	45%
Maintenance	1,402,757	1,376,586	102%	-2%
General Administrative	1,049,701	1,194,115	88%	12%
Tenant Services	619,356	756,870	82%	18%
Operating Transfers Out	515,697	440,963	117%	-17%
Debt Service	201,743	220,491	91%	9%
Total Expenses:	65,004,890	74,500,436	87%	13%
Net Income (Loss):	380,066	81,788		

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Section 8

May 2018

Fiscal Year Ending June 30, 2018

	2017-2018	2017-2018		
	Year	Annual	Budget	Budget
	to Date	Budget	Utilized	Remaining
Revenues:				
HAPS / Program	55,517,152	63,255,736	88%	12%
Administrative Fees	4,102,386	4,700,046	87%	13%
Grants / Contracts	-	136	0%	100%
Rental Income	-	-	0%	0%
Operating Transfers In	-	-	0%	0%
Other Income	21,484	19,487	110%	-10%
Total Revenues:	59,641,022	67,975,405	88%	12%
Expenses:				
Housing Assistance Pmts	55,517,152	63,255,736	88%	12%
Salaries	2,349,392	2,778,279	85%	15%
Employee Benefits	935,041	1,184,032	79%	21%
Capital Purchases	-	-	0%	0%
Maintenance	29,685	33,816	88%	12%
General Administrative	615,125	607,155	101%	-1%
Tenant Services	-	-	0%	0%
Operating Transfers Out	-	-	0%	0%
Debt Service	-	-	0%	0%
Total Expenses:	59,446,396	67,859,018	88%	12%
Net Income (Loss):	194,626	116,387		

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Federal Housing

May 2018

Fiscal Year Ending June 30, 2018

	2017-2018	2017-2018		
	Year	Annual	Budget	Budget
	to Date	Budget	Utilized	Remaining
Revenues:				
HAPS / Program	-	-	0%	0%
Administrative Fees	-	-	0%	0%
Grants / Contracts	576,800	512,951	112%	-12%
Rental Income	1,940,767	2,031,210	96%	4%
Operating Transfers In	353,249	580,062	61%	39%
Other Income	170,721	173,260	99%	1%
Total Revenues:	3,041,536	3,297,483	92%	8%
Expenses:				
Housing Assistance Pmts	-	-	0%	0%
Salaries	574,236	692,039	83%	17%
Employee Benefits	221,052	268,328	82%	18%
Capital Purchases	367,070	872,225	42%	58%
Maintenance	1,009,168	980,749	103%	-3%
General Administrative	330,476	398,420	83%	17%
Tenant Services	39	250	16%	84%
Operating Transfers Out	154,179	55,950	276%	-176%
Debt Service	18,501	20,591	90%	10%
Total Expenses:	2,674,722	3,288,553	81%	19%
Net Income (Loss):	366,814	8,930		

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Federal Grants

May 2018

Fiscal Year Ending June 30, 2018

	2017-2018	2017-2018		
	Year	Annual	Budget	Budget
	to Date	Budget	Utilized	Remaining
Revenues:				
HAPS / Program	429,897	445,368	97%	3%
Administrative Fees	-	-	0%	0%
Grants / Contracts	515,956	585,073	88%	12%
Rental Income	20,618	20,737	99%	1%
Operating Transfers In	-	17,900	0%	100%
Other Income	1,097	1,845	59%	41%
Total Revenues:	967,568	1,070,923	90%	10%
Expenses:				
Housing Assistance Pmts	461,601	435,368	106%	-6%
Salaries	110,770	131,134	84%	16%
Employee Benefits	56,267	64,806	87%	13%
Capital Purchases	-	17,900	0%	100%
Maintenance	19,951	29,142	68%	32%
General Administrative	5,136	9,838	52%	48%
Tenant Services	17,500	33,334	52%	48%
Operating Transfers Out	355,574	385,013	92%	8%
Debt Service	-	-	0%	0%
Total Expenses:	1,026,799	1,106,535	93%	7%
Net Income (Loss):	(59,231)	(35,612)		

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - State Grants

May 2018

Fiscal Year Ending June 30, 2018

	2017-2018	2017-2018		
	Year	Annual	Budget	Budget
	to Date	Budget	Utilized	Remaining
Revenues:				
HAPS / Program	-	-	0%	0%
Administrative Fees	875	1,250	70%	30%
Grants / Contracts	539,058	726,906	74%	26%
Rental Income	-	-	0%	0%
Operating Transfers In	-	-	0%	0%
Other Income	10,027	15,120	66%	34%
Total Revenues:	549,960	743,276	74%	26%
Expenses:				
Housing Assistance Pmts	-	-	0%	0%
Salaries	59,855	70,660	85%	15%
Employee Benefits	25,028	30,820	81%	19%
Capital Purchases	176,183	335,250	53%	47%
Maintenance	237,992	193,381	123%	-23%
General Administrative	58,446	97,107	60%	40%
Tenant Services	-	-	0%	0%
Operating Transfers Out	-	-	0%	0%
Debt Service	-	-	0%	0%
Total Expenses:	557,503	727,219	77%	23%
Net Income (Loss):	(7,544)	16,057		

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Local Programs

May 2018

Fiscal Year Ending June 30, 2018

	2017-2018 Year to Date	2017-2018 Annual Budget	Budget Utilized	Budget Remaining
Revenues:				
HAPS / Program	-	-	0%	0%
Administrative Fees	6,953	9,080	77%	23%
Grants / Contracts	655,142	796,609	82%	18%
Rental Income	-	-	0%	0%
Operating Transfers In	5,944	-	0%	0%
Other Income	343	550	62%	38%
Total Revenues:	668,382	806,239	83%	17%
Expenses:				
Housing Assistance Pmts	-	-	0%	0%
Salaries	34,311	48,158	71%	29%
Employee Benefits	11,272	15,340	73%	27%
Capital Purchases	-	-	0%	0%
Maintenance	266	325	82%	18%
General Administrative	7,187	7,266	99%	1%
Tenant Services	601,817	723,286	83%	17%
Operating Transfers Out	5,944	-	0%	0%
Debt Service	-	-	0%	0%
Total Expenses:	660,798	794,375	83%	17%
Net Income (Loss):	7,584	11,864		

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Administrative Services

May 2018

Fiscal Year Ending June 30, 2018

	2017-2018	2017-2018		
	Year	Annual	Budget	Budget
	to Date	Budget	Utilized	Remaining
Revenues:				
HAPS / Program	-	-	0%	0%
Administrative Fees	52,013	53,860	97%	3%
Grants / Contracts	-	-	0%	0%
Rental Income	427,608	552,465	77%	23%
Operating Transfers In	-	50,000	0%	100%
Other Income	36,869	32,573	113%	-13%
Total Revenues:	516,490	688,898	75%	25%
Expenses:				
Housing Assistance Pmts	-	-	0%	0%
Salaries	19,847	22,343	89%	11%
Employee Benefits	6,795	6,993	97%	3%
Capital Purchases	289,763	282,000	103%	-3%
Maintenance	105,694	139,173	76%	24%
General Administrative	33,330	74,328	45%	55%
Tenant Services	-	-	0%	0%
Operating Transfers Out	-	-	0%	0%
Debt Service	183,242	199,900	92%	8%
Total Expenses:	638,672	724,737	88%	12%
Net Income (Loss):	(122,182)	(35,839)		