

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
AGENDA OF THE REGULAR BOARD MEETING
January 23, 2019
11:30 a.m.
TO BE HELD AT:
HOUSING AUTHORITY OFFICES
2160 41st Avenue, Capitola, CA 95010

1. Roll Call
2. Consideration of Late Additions and Changes to the Agenda
3. Consent Agenda
 - A. Minutes of the Special Meeting held December 12, 2018

Motion to Approve as Submitted
 - B. City of Capitola CDBG Program

Receive Report
 - C. Proposed Cancellation of the Regular Meeting of March 27, 2019 and the Scheduling of a Special Meeting on March 20, 2019

Motion to Approve Cancellation of the Regular Meeting of March 27, 2019 at 11:30a.m. and the Scheduling of a Special Meeting on Wednesday, March 20, 2019 at 11:30 a.m.
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. Partial Federal Government Shutdown

Discussion
 - B. Role of Housing Authority in Promoting Voucher Participation to Developers

Discussion
7. Housing Authority Political Endorsements

Discussion

8. Written Correspondence
9. Report of Executive Director
10. Reports from Board Members
(Board members may report on meetings attended, if any, or other items of interest.)
11. Closed Session
(The Board will recess to discuss those items listed, if any.)
12. Report on Closed Session
13. 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.

AGENDA ITEM NO. 1 Roll Call

Chairperson Brunner called the meeting to order at 11:33 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 moved for approval of the Consent Agenda; Commissioner Pomerantz 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: Commissioner Brunner Abstained from the Minutes of the Regular Meeting held October 24, 2018
 Commissioners Brunner and Schiffrin Abstained from the Minutes of the Special Meeting held November 16, 2018

- Agenda Item 3A. Approval of Minutes of the Regular Meeting held October 24, 2018
- Agenda Item 3B. Approval of Minutes of the Special Meeting held November 16, 2018
- Agenda Item 3C. Adopted Resolution No. 2018-16 Retroactive Authorization of a Grant Application Submittal, the Execution of a Grant Agreement and Any Amendments Thereto, and Any Other Documents Necessary to Secure a U.S. Department of Housing and Urban Development (HUD) Family Self Sufficiency (FSS) Coordinator Renewal Grant

AGENDA ITEM NO. 4 Oral Communications

None.

AGENDA ITEM NO. 5 Unfinished Business

None.

AGENDA ITEM NO. 6A

Opportunity for Commissioner Attendance at NAHRO Certified Housing Authority Commissioner Training

Secretary Panetta informed the Board that the Housing Authority Bylaws state that: “Reimbursable attendance at a seminar, conference, workshop or similar event directly related to Housing Authorities, by a Commissioner of the Board, shall first be approved by a majority vote of a quorum of the Board.”

The 2019 Pacific Southwest Regional Conference of the National Association of Housing and Redevelopment Officials (NAHRO) will take place in Anaheim, California from May 20th through May 21st. The conference is expected to include a NAHRO certified Housing Authority Commissioner Training, titled “Commissioner Fundamentals”. Staff is recommending approval for up to two Commissioners to attend the training. A discussion followed.

Commissioner Schiffrin moved for approval of Commissioner Attendance at NAHRO Certified Housing Authority Training as recommended; Commissioner Berg 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

AGENDA ITEM NO. 6B

Housing Choice Voucher Section 8 Waiting List Opening

Secretary Panetta updated the Board on the opening of the Section 8 Housing Choice Voucher waiting lists for Santa Cruz County and the Cities of Hollister and San Juan Bautista on October 17, 2018. The waiting lists closed at 5pm December 6th. The waiting list opening was timed to ensure that we could open and close before the end of the calendar year, that we could be open for a reasonable length of time to ensure access and avoid a sense of panic or urgency. Outreach for the waiting list opening was very successful with over 15, 000 applications coming in. Applicants on the existing waiting list will continue to be contacted based on preferences and date of placement on that list, before applicants are contacted from the new list by preferences and lottery number. More information will be provided to the Board, as we gather more information about the final size and composition of the lists. A discussion followed.

AGENDA ITEM NO. 6C

Section 8 Housing Choice Voucher Program: Voucher and Funding Utilization

Secretary Panetta informed the Board that the Housing Authority operates the Section 8 Housing Choice Voucher (HCV) Program within many programmatic and budgetary limitations. Housing Authority staff work to develop a payment standard and leasing strategy that makes the best use of the funding we expect to receive, maximizing the number of households assisted, and maximizing the funding

utilization, without artificially inflating market rents or experiencing a funding shortfall. There are many factors that influence voucher and funding utilization, including a great deal of uncertainty and volatility. A discussion followed. Staff will include information about leasing and funding utilization projections into the annual Agency Budget. Additionally, staff will provide final leasing and funding utilization information on an annual basis going forward.

AGENDA ITEM NO. 8

Report of Executive Director

Executive Director Panetta informed the Board that the financials through October 2018 and a comparison against our approved budget (s) FY 2018-2019 is included in this month's Board Packet.

Secretary Panetta updated the Board of the Office of Migrant Services (OMS) 50 Mile Rule. OMS is now allowing contract administrators to submit a proposal that would allow up to 50% of migrant center units to be excluded from the 50 mile rule, if those units are occupied by families with school-age children who wish to remain in the school system during the period of time while the migrant center is closed. In order to be eligible for the exemption, the family would be required to provide proof of enrollment. This month, OMS approved the Housing Authority's request to allow waivers to the 50 mile rule for eligible residents at Buena Vista. To date, approximately 30 families have requested such waivers.

Secretary Panetta informed the Board that HUD awarded \$30 million nationally to PHAs for FUP vouchers for former foster youth and youth at risk of homelessness as well as families whose lack of adequate housing is the primary reason their children are in foster care. The Housing Authority received \$966,042, the maximum allowable award, which will add 58 new FUP vouchers to our current program.

Secretary Panetta informed the Board that in Santa Cruz County, like in most communities, the HUD-VASH program is underutilized, while many veterans remain homeless. One cause of this underutilization is that many homeless veterans are not "VASH eligible" veterans, as the VASH program is limited to persons who are eligible for VA healthcare benefits and exclude those who have not been honorably discharged from the military. The Housing Authority has reached out to neighboring PHAs and to our partners at the VA Palo Alto to explore the possibility of requesting a waiver that would allow the Housing Authority to provide VASH rental assistance to homeless veterans who are not eligible for VA healthcare benefits, including those with less than honorable discharge status.

Secretary Panetta informed the Board that staff is exploring the possibility of converting Brommer Street Apartments and/or Merrill Road Apartments to Housing Choice Voucher (HCV) or Project Based Voucher (PBV) sites. Utilizing vouchers at these properties would allow the agency to continue serving the housing needs of the same designated special populations but it would do so in a manner that is more financially sustainable.

Secretary Panetta informed the Board about the meaning of abstention according to Robert's Rules of Order.

Secretary Panetta informed the Board that the requested Brommer and Shelter Plus Care Annual Performance Reports are included in this packet.

Executive Director Panetta gave the Board a legislative update.

AGENDA ITEM NO. 9 Reports from Board Members

A discussion regarding the Housing Measures on the November ballot was held. Commissioner Pomerantz requested an Agenda Item regarding the role of the Housing Authority in promoting voucher participation to developers.

Commissioner Schmale requested an Agenda Item regarding the Board of Commissioners role in political endorsements.

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 1:17 p.m.

I hereby certify that these minutes were approved by the Housing Authority of the County of Santa Cruz, on the Twenty Third day of January, 2019.

Chairperson of the Authority

ATTEST: _____

Secretary

AGENDA ITEM SUMMARY

MEETING DATE: January 23, 2019

ITEM NUMBER: 3B

FROM: Executive Director

SUBJECT: City of Capitola CDBG Program

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

The Housing Authority has worked with the City of Capitola, administering the Community Development Block Grant (CDBG) program. The CDBG program is a State funded program that provides funds for owner-occupied and owner-investor residential properties of 1-4 units. The program is designed to provide home rehabilitation and down payment assistance for income qualified City residents for properties located within the City limits of Capitola. The HA role was to promote the program, act as primary point of contact, establish and maintain a waiting list, determine income eligibility of participants, conduct property inspections, develop construction work write ups, obtain bids for all the rehabilitation projects, provide project management and supervision during construction and to facilitate home purchases.

Rehabilitation

The rehabilitation program has always been challenging due to a number of factors including program rules, income limits, the current real estate market, and the level of expertise required for rehabilitation of properties. One of the biggest challenges associated with the program was the \$475,000 maximum home value (after work was completed) which limited who could access the program. Due to the maximum home value and income limits, the only property owners that took advantage of the program were owners of mobile homes. There is a lack of contractors that are willing to work on mobile homes, thus getting three bids is extremely difficult and not always possible. The paperwork and administrative burden was also a deterrent to potential contractors. In addition to the lack of bids, program participants would frequently change their minds about the scope of the work, sometimes multiple times throughout the process. Once bids were received, participants were sometimes unhappy with the price, and thus would want to redo the scope of work and make further changes. Contractors were unwilling to spend this much time on a job where they were not getting paid.

Purchase

Program funds were also set aside to assist first time home buyers, but that was also very challenging due to the cost of homes in this area, maximum income limits for the buyer, and the current lending environment. Due to the maximum home value of \$475,000 all homes were excluded except for condominiums or mobile homes. We could not get a mobile home purchase completed due to the length of mortgage term the lender required, the length of mortgage term the program rules required and finding an income qualified buyer. We only did one first time home buyer, for a price restricted unit. This transaction was successful due to the lender, buyer and owner really working hard to make it happen and the buyers getting a large down payment gift.

As the program progressed, it was clear that we could not spend the money within the allotted time frame due to the lack of units and buyers that would qualify for purchase. After discussion with the City of

Capitola, they transferred the remaining funds slated for homeownership to rehabilitation. In the end, almost all the funds were spent, but the way the program was designed and the State imposed rules made the program very onerous. All this information and our concerns were communicated to the former Community Development Director approximately a year ago. We also told him that we did not have the staffing levels available to continue to fully administer such a labor intensive program as the grant sub-recipient in future years, but that we could continue to assist in some aspects such as determining income eligibility for the various programs.

RECOMMENDATION: Receive report.

City searches for new grant partner

Housing Authority unable to execute grant programs

By [Elaine Ingalls](#) | eingalls@santacruzsentinel.com | Santa Cruz Sentinel
PUBLISHED: January 9, 2019 at 4:21 pm | UPDATED: January 9, 2019 at 4:22 pm

CAPITOLA>> The Housing Authority of the County of Santa Cruz will no longer be collaborating with the city of Capitola on the Community Development Block Grant Program.

The housing authority paired with the City of Capitola for the 2015 community grant. The housing authority and the city partnered to apply for the community grant again in 2017, but the city was not awarded the grant.

In the last grant application, the city applied for funding to construct the Clares Street traffic calming project, which would build new bike lanes, ADA improvements, raised medians and promote other ways to make driving safer. The city was not awarded the grant because other communities had a greater need for repair and solving health risks, according to Public Works Director Steven Jesberg.

The Community Development Block Grant funds the Housing Rehabilitation Program and the Homebuyer Assistance Program. The housing program provides loans and grants to homeowners in Capitola who earn less than 80 percent of median income. The homebuyer program provides loans to individuals and families who earn less than 80 percent of median income in order to purchase homes in Capitola. Recipients of the grant must be Capitola residents.

Katie Herlihy, community development director for the City of Capitola, said that the city does not have the staff to administer the grant. She said the housing authority, in the past, implemented the grant by working with individual property owners to rehabilitate properties. Rehabilitating involves making properties more energy efficient and addressing health and safety concerns.

The city is eligible to apply for the grant again in February, but the housing authority announced in December that it was unable to carry out future housing rehabilitation programs. Without someone to implement the program, the city cannot apply for the grant.

Administering the grant was too much work for the housing authority staff, according to Herlihy.

“It’s not that there’s less staff, it’s just the burden that was placed on their staff was too much,” Herlihy said.

Herlihy said she will search for a new subrecipient for the grant within the next six months and apply again during the next grant cycle summer 2019. A subrecipient receives and administers a portion of a federal award.

“I’d hate to be rewarded and not be able to use the funds,” Herlihy said.

City staff recommends not applying for the grant, according to the Capitola City Council’s agenda report. There will be a council meeting Thursday to discuss the application. For information, visit cityofcapitola.org/.

AGENDA ITEM SUMMARY

MEETING DATE: January 23, 2019

ITEM NUMBER: 3C

FROM: Executive Director

SUBJECT: Proposed Cancellation of the Regular Meeting of March 27, 2019 and the Scheduling of a Special Meeting on March 20, 2019

RECOMMENDATION: Approve Cancellation of the Regular Meeting of March 27, 2019 at 11:30 a.m. and the Scheduling of a Special Meeting on Wednesday, March 20, 2019 at 11:30 a.m.

BACKGROUND SUMMARY:

Staff is asking to move the Board of Commissioners March meeting up by one week to March 20, 2019 so that the Board can approve our Agency Plan prior to March 24th. There is a policy change that HUD has required PHAs to adopt in the Admissions and Continued Occupancy Policy (ACOP) prior to that date. Therefore, it is proposed the Board cancel the Regular Meeting set for March 27, 2019 at 11:30 a.m. and schedule instead a Special Meeting on Wednesday, March 20, 2019 at 11:30 a.m.

RECOMMENDATION: Approve Cancellation of the Regular Meeting of March 27, 2019 at 11:30 a.m. and the Scheduling of a Special Meeting on Wednesday, March 20, 2019 at 11:30 a.m.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

AGENDA ITEM SUMMARY

MEETING DATE: January 23, 2019

ITEM NUMBER: 6A

FROM: Executive Director

SUBJECT: Partial Federal Government Shutdown

RECOMMENDATION: Discussion

BACKGROUND SUMMARY:

On December 22, 2018, funding for 9 out of 15 federal agencies including the Department of Housing and Urban Development expired, and a partial shutdown was triggered. The National Association of Housing and Redevelopment Officials (NAHRO) has informed housing authorities that the Department has enough money to ensure that February payments for the Housing Choice Voucher (HCV) program and the public housing Operating Fund will be made available to PHAs. It is the Department's intent to make those payments on time. NAHRO has also learned that there is not currently enough money to make HCV and Operating Fund payments for March, if the government shutdown continues until then.

In order to end the government shutdown, Congress must agree to a funding bill. The new Congress was sworn in early this month. The new House of Representatives launched a series of votes, including a spending package containing six full-year bills (including THUD) and a continuing resolution for the Department of Homeland Security. The bills approved by the House are identical to bills drafted by the Republican-controlled Senate last year. The President vowed to veto the package and the Senate has not considered it. The following week the House tried a different strategy, voting individually on the six full-year bills that were approved the prior week. The THUD bill approved is also identical to the Senate-drafted bill that was adopted by the Senate last year. The President again vowed to veto the individual bills and the Senate is not expected to consider them. The Housing Authority has been in contact with our local congressional staff to provide information on the potential impact of an extended shutdown.

Essential staff at HUD's Financial Management Center remain at work during the shutdown. HUD staff will continue to provide updates to PHAs as the situation evolves. In the event that HAP payments to landlords will be delayed or interrupted, we will reach out to families, landlords, and Board members in advance, and provide all the information we have available to us. In the meantime, we continue to conduct business as usual, including issuing vouchers and entering HAP contracts.

RECOMMENDATION: Discussion

AGENDA ITEM SUMMARY

MEETING DATE: January 23, 2019

ITEM NUMBER: 6B

FROM: Executive Director

SUBJECT: Role of Housing Authority in Promoting Voucher Participation to Developers

RECOMMENDATION: Discussion

BACKGROUND SUMMARY:

The Housing Authority has established goals relating to expanding the number of project based voucher (PBV) units to stimulate and support the development of new affordable housing, to retain or improve existing affordable housing, and to increase the number of units that are available to families assisted through the voucher program. Additionally, the Housing Authority has a related goal of expanding the pool of landlords who are willing to accept Housing Choice Vouchers.

Agency staff meet regularly with affordable housing developers such as MidPen Housing, Eden, CHISPA, and Envision. Through these regular meetings, these housing developers are well aware of our goal of supporting affordable housing through our PBV program. While the Housing Authority maintains an open PBV request for proposals, we also invite continuous dialogue with developers about how vouchers might fit into any existing or new sites. Recent conversations have resulted in the addition of 5 VASH PBV units at Sunrise Apartments in Hollister, as well as an exploration with Eden Housing about residency preference requirements for the voucher program and how well they may or may not align with jurisdictional preferences or requirements.

Housing Authority staff also meet with jurisdictional staff to promote the use of vouchers at various existing or potential developments. Recently, we have met with the Director of Planning and Community Development for the City of Santa Cruz to discuss the potential for PBV units at affordable sites that the City is planning, as well as the use of regular Housing Choice Vouchers (HCVs) to help developers of market rate housing to meet affordability requirements without impacting the feasibility of the developments. We've had similar conversations recently with the City Manager and Development Director of the City of Scotts Valley, as well as the Community Development Director of the City of Watsonville.

The Housing Authority also engages in regular discussions with market rate landlords and developers to promote the PBV and HCV program. Recently, we have met with Owen Lawlor, of Lawlor Consulting who formerly served on our Agency's Board of Commissioners. I informed Mr. Lawlor of the ways in which HUD and the Housing Authority have made changes to the PBV program since his years on our board, making the program easier and more profitable, as well as highlighting increases in the Fair Market Rents which translate into higher rents for PBV and HCV owners alike. Additionally, we've been in recent conversations with a landlord in Watsonville who has informed us he is planning to submit applications for PBVs for one or two of his developments in the City.

RECOMMENDATION: Discussion

AGENDA ITEM SUMMARY

MEETING DATE: January 23, 2019

ITEM NUMBER: 6C

FROM: Executive Director

SUBJECT: Housing Authority Political Endorsements

RECOMMENDATION: Discussion

BACKGROUND SUMMARY:

Over most of the fifty year history of the Housing Authority, our Agency has maintained a practice of remaining neutral on political initiatives. This fall, the Housing Authority Board of Commissioners voted to support Measure H, a \$140 million bond measure intended to fund the development of affordable housing. Although the Board was cautious about breaking with precedent, board members suggested that development of affordable housing (and therefore the ballot measure) was directly aligned with the Housing Authority's mission, and would help the Housing Authority fulfill our goal to help all Section 8 voucher holders find a rental unit and to expand the number of units with project based voucher assistance. The board suggested that the Agency should set a very high bar for endorsing any future ballot measure.

Since this time, a Commissioner has suggested that our Board engage in additional discussion about the pros and cons of political endorsements by the Agency, and to consider establishing policy on such endorsements.

RECOMMENDATION: Discussion

AGENDA ITEM SUMMARY

MEETING DATE: January 23, 2019

ITEM NUMBER: 8

FROM: Executive Director

SUBJECT: Executive Director's Report – January 23, 2019

RECOMMENDATION: Discussion

BACKGROUND SUMMARY:

Please call or e-mail me with questions you might have on any of the Agenda Items for the January 23, 2019 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 December 2018 and a comparison against our approved budget(s) for FY 2018-19.

Agency Annual Plan: Staff is in the process of updating the Annual Agency Plan, including the Section 8 Housing Choice Voucher Administrative Plan, and the Low Income Public Housing Admissions and Continued Occupancy Policy. This month, staff reviewed the proposed changes with the Resident Advisory Board. A public review period will begin in early February. A draft of the changes will be presented to the Board at the February meeting for discussion. A public hearing will be held at the March meeting, after which the Plan may be approved by the Board. The following year, our Agency will be required to update our Five Year Plan, which will include a discussion of Agency Goals. Staff will begin the Five Year Plan process several months earlier than typically scheduled to allow for a strategic planning process.

Partnership with the Museum of Art and History: This month, staff met with representatives from the Museum of Art and History (MAH) regarding opportunities for partnership. The MAH has donated museum memberships to winners of the Housing Authority's children's art contest, and they are considering providing free or reduced cost memberships to program participants in the future. Additionally, they have expressed a willingness to conduct an event in conjunction with next year's art contest, inviting children in Housing Authority programs to a MAH classroom where they could work on their submission using supplies provided by the museum.

City of Santa Cruz Relocation Assistance – Early this month, the City of Santa Cruz passed an ordinance regarding relocation assistance for tenants displaced by large rent increases. The ordinance defines large rent increases as more than 5% in one year or more than 7% in two years. Additionally, the City is exploring a just cause eviction ordinance, following the expiration of the previous ordinance in December. We have updated our flyer with current information, which is currently in the process of translation and will be provided to staff, posted to our website and available in our lobby.

Project Based Vouchers for Farmworker Housing: The Housing Authority has conditionally approved 11 project base vouchers at Jardines del Valle and 23 project based vouchers at Villas del Paraiso. Both sites, owned and managed by MidPen Housing, are designated for farmworker families. The provision of project based vouchers at these sites will help to retain currently affordable housing at risk of losing affordability and result in substantial improvements to this housing, while ensuring the cash flow necessary to address aging building and capital improvement needs. MidPen is also working to obtain 9% tax credits to add more units of affordable farmworker housing on the existing parcel. We are also exploring the potential to utilize project based farmworker housing to increase the opportunity for residents of Buena Vista Migrant Center to secure affordable year-round farmworker housing locally.

Legislative Update: As the Board is aware, On December 22, 2018 funding for 9 out of 15 federal agencies including the Department of Housing and Urban Development expired, and a partial shutdown was triggered. The House of Representatives has made attempts to restore funding through appropriations bills for individual federal agencies or together as a group. The version of the HUD budget included in these bills matches the version that had been approved by the Republican led Senate prior to the shutdown. While detailed information is not available about the bill, industry analysts have informed us that the budget is favorable, with little or no HAP proration and with increases to Section 8 Administrative fees. Additionally, early estimates of inflation factors have been issued by HUD. While these estimates may change, the estimate provided for our agency shows an RFIF of 20%, which would result in a significant increase to Section 8 funding.

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

January 23, 2019

Attached you will find the year to date reports as of December 31, 2018, which takes us 6 months, or 50%, into our fiscal year. The total of all revenue, excluding HAP reimbursements, is 49% of total budgeted, while HAP is 50% of the amount budgeted. Total expenses, excluding HAP payments, are 45% of the amount budgeted.

The agency as a whole is experiencing a year-to-date surplus of \$462,572 due mainly to capital expenditures being well under budget. The surplus and deficit by program group are as follows:

| | | |
|--------------------------|------------------|---|
| Section 8 Programs | \$79,742 | Vouchers, Mod Rehab & Mob Rehab SRO |
| Federal Housing Programs | 524,220 | LIPH and USDA |
| Federal Grants | (44,922) | Shelter + Care, FSS, Transitional Hsg |
| State Grants | 2,184 | Migrant Center & MCCs |
| Local Programs | (337) | Eligibilities, Security Deposits, Tech Asst |
| Administrative Services | <u>(98,315)</u> | Includes 41st Ave. & Mission St. rents |
| | \$462,572 | |

The following individual programs have a year to date deficit:

| | | |
|-------------------------------|------------|---|
| Family Self Sufficiency (FSS) | (\$48,506) | (Grant funds insufficient to cover personnel costs) |
| City of Santa Cruz | (\$814) | (Local programs funds insufficient to cover personnel costs) |
| County of Santa Cruz | (\$2,138) | (Local programs funds insufficient to cover personnel costs) |
| 41st Ave Office Buildings | (\$75,803) | (41st Ave related construction costs) |
| Mission St Building | (\$19,589) | (YTD rental income on partially occupied building does not fully offset mortgage & utilities) |

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - All Funds

December 2018

Fiscal Year Ending June 30, 2019

| | 2018-2019 | 2018-2019 | | |
|---------------------------|-------------------|-------------------|-----------------|------------------|
| | Year | Annual | Budget | Budget |
| | to Date | Budget | Utilized | Remaining |
| Revenues: | | | | |
| HAPS / Program | 33,540,865 | 67,342,596 | 50% | 50% |
| Administrative Fees | 2,552,048 | 4,986,477 | 51% | 49% |
| Grants / Contracts | 1,143,576 | 2,364,082 | 48% | 52% |
| Rental Income | 1,438,303 | 2,806,402 | 51% | 49% |
| Operating Transfers In | 298,992 | 861,146 | 35% | 65% |
| Other Income | 120,770 | 247,682 | 49% | 51% |
| Total Revenues: | 39,094,554 | 78,608,384 | 50% | 50% |
| Expenses: | | | | |
| Housing Assistance Pmts | 33,540,865 | 67,342,596 | 50% | 50% |
| Salaries | 1,836,801 | 3,762,656 | 49% | 51% |
| Employee Benefits | 782,117 | 1,695,126 | 46% | 54% |
| Capital Purchases | 261,968 | 1,450,775 | 18% | 82% |
| Maintenance | 702,735 | 1,483,887 | 47% | 53% |
| General Administrative | 796,166 | 1,452,835 | 55% | 45% |
| Tenant Services | 275,468 | 756,820 | 36% | 64% |
| Operating Transfers Out | 330,595 | 462,980 | 71% | 29% |
| Debt Service | 105,267 | 177,219 | 59% | 41% |
| Total Expenses: | 38,631,981 | 78,584,893 | 49% | 51% |
| Net Income (Loss): | 462,572 | 23,491 | | |

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Section 8

December 2018

Fiscal Year Ending June 30, 2019

| | 2018-2019 | 2018-2019 | Budget | Budget |
|---------------------------|-------------------|-------------------|-----------------|------------------|
| | Year | Annual | Utilized | Remaining |
| | to Date | Budget | | |
| Revenues: | | | | |
| HAPS / Program | 33,292,688 | 66,850,650 | 50% | 50% |
| Administrative Fees | 2,518,295 | 4,919,029 | 51% | 49% |
| Grants / Contracts | - | - | 0% | 0% |
| Rental Income | - | - | 0% | 0% |
| Operating Transfers In | - | - | 0% | 0% |
| Other Income | 23,541 | 14,987 | 157% | -57% |
| Total Revenues: | 35,834,523 | 71,784,666 | 50% | 50% |
| Expenses: | | | | |
| Housing Assistance Pmts | 33,292,688 | 66,850,650 | 50% | 50% |
| Salaries | 1,374,845 | 2,797,277 | 49% | 51% |
| Employee Benefits | 591,362 | 1,275,686 | 46% | 54% |
| Capital Purchases | - | - | 0% | 0% |
| Maintenance | 6,794 | 20,911 | 32% | 68% |
| General Administrative | 489,091 | 812,558 | 60% | 40% |
| Tenant Services | - | - | 0% | 0% |
| Operating Transfers Out | - | - | 0% | 0% |
| Debt Service | - | - | 0% | 0% |
| Total Expenses: | 35,754,781 | 71,757,081 | 50% | 50% |
| Net Income (Loss): | 79,742 | 27,585 | | |

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Federal Housing

December 2018

Fiscal Year Ending June 30, 2019

| | 2018-2019 | 2018-2019 | Budget | Budget |
|---------------------------|------------------|------------------|-----------------|------------------|
| | Year | Annual | Utilized | Remaining |
| | to Date | Budget | | |
| Revenues: | | | | |
| HAPS / Program | - | - | 0% | 0% |
| Administrative Fees | - | - | 0% | 0% |
| Grants / Contracts | 313,945 | 570,031 | 55% | 45% |
| Rental Income | 1,118,924 | 2,208,726 | 51% | 49% |
| Operating Transfers In | 298,992 | 669,146 | 45% | 55% |
| Other Income | 74,654 | 198,410 | 38% | 62% |
| Total Revenues: | 1,806,515 | 3,646,313 | 50% | 50% |
| Expenses: | | | | |
| Housing Assistance Pmts | - | - | 0% | 0% |
| Salaries | 335,410 | 691,903 | 48% | 52% |
| Employee Benefits | 136,091 | 298,546 | 46% | 54% |
| Capital Purchases | 74,158 | 1,180,175 | 6% | 94% |
| Maintenance | 505,948 | 1,083,276 | 47% | 53% |
| General Administrative | 195,038 | 403,626 | 48% | 52% |
| Tenant Services | - | 250 | 0% | 100% |
| Operating Transfers Out | 30,333 | 55,950 | 54% | 46% |
| Debt Service | 5,317 | 10,635 | 50% | 50% |
| Total Expenses: | 1,282,295 | 3,724,361 | 34% | 66% |
| Net Income (Loss): | 524,220 | (78,048) | | |

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Federal Grants

December 2018

Fiscal Year Ending June 30, 2019

| | 2018-2019 | 2018-2019 | Budget | Budget |
|---------------------------|------------------|------------------|-----------------|------------------|
| | Year | Annual | Utilized | Remaining |
| | to Date | Budget | | |
| Revenues: | | | | |
| HAPS / Program | 248,177 | 491,946 | 50% | 50% |
| Administrative Fees | - | - | 0% | 0% |
| Grants / Contracts | 367,430 | 604,161 | 61% | 39% |
| Rental Income | 11,196 | 26,788 | 42% | 58% |
| Operating Transfers In | - | 12,000 | 0% | 100% |
| Other Income | 626 | 1,845 | 34% | 66% |
| Total Revenues: | 627,429 | 1,136,740 | 55% | 45% |
| Expenses: | | | | |
| Housing Assistance Pmts | 248,177 | 491,946 | 50% | 50% |
| Salaries | 63,168 | 130,272 | 48% | 52% |
| Employee Benefits | 31,269 | 65,599 | 48% | 52% |
| Capital Purchases | 4,271 | 12,000 | 36% | 64% |
| Maintenance | 13,416 | 32,154 | 42% | 58% |
| General Administrative | 5,955 | 8,445 | 71% | 29% |
| Tenant Services | 5,832 | 23,334 | 25% | 75% |
| Operating Transfers Out | 300,262 | 407,030 | 74% | 26% |
| Debt Service | - | - | 0% | 0% |
| Total Expenses: | 672,351 | 1,170,781 | 57% | 43% |
| Net Income (Loss): | (44,922) | (34,041) | | |

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - State Grants

December 2018

Fiscal Year Ending June 30, 2019

| | 2018-2019 Year to Date | 2018-2019 Annual Budget | Budget Utilized | Budget Remaining |
|---------------------------|------------------------------|-------------------------------|--------------------|---------------------|
| Revenues: | | | | |
| HAPS / Program | - | - | 0% | 0% |
| Administrative Fees | 675 | 1,250 | 54% | 46% |
| Grants / Contracts | 171,917 | 380,801 | 45% | 55% |
| Rental Income | - | - | 0% | 0% |
| Operating Transfers In | - | 10,000 | 0% | 0% |
| Other Income | 6,639 | 5,120 | 130% | -30% |
| Total Revenues: | 179,231 | 397,171 | 45% | 55% |
| Expenses: | | | | |
| Housing Assistance Pmts | - | - | 0% | 0% |
| Salaries | 32,570 | 70,312 | 46% | 54% |
| Employee Benefits | 12,608 | 29,285 | 43% | 57% |
| Capital Purchases | 6,838 | 30,600 | 22% | 78% |
| Maintenance | 97,858 | 198,409 | 49% | 51% |
| General Administrative | 27,173 | 62,214 | 44% | 56% |
| Tenant Services | - | - | 0% | 0% |
| Operating Transfers Out | - | - | 0% | 0% |
| Debt Service | - | - | 0% | 0% |
| Total Expenses: | 177,047 | 390,820 | 45% | 55% |
| Net Income (Loss): | 2,184 | 6,351 | | |

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Local Programs

December 2018

Fiscal Year Ending June 30, 2019

| | 2018-2019 | 2018-2019 | Budget | Budget |
|---------------------------|------------------|------------------|-----------------|------------------|
| | Year | Annual | Utilized | Remaining |
| | to Date | Budget | | |
| Revenues: | | | | |
| HAPS / Program | - | - | 0% | 0% |
| Administrative Fees | 4,050 | 8,830 | 46% | 54% |
| Grants / Contracts | 290,283 | 809,089 | 36% | 64% |
| Rental Income | - | - | 0% | 0% |
| Operating Transfers In | - | - | 0% | 0% |
| Other Income | 165 | 355 | 46% | 54% |
| Total Revenues: | 294,498 | 818,274 | 36% | 64% |
| Expenses: | | | | |
| Housing Assistance Pmts | - | - | 0% | 0% |
| Salaries | 15,693 | 50,700 | 31% | 69% |
| Employee Benefits | 5,057 | 17,363 | 29% | 71% |
| Capital Purchases | - | - | 0% | 0% |
| Maintenance | 36 | 132 | 28% | 72% |
| General Administrative | 4,413 | 10,485 | 42% | 58% |
| Tenant Services | 269,636 | 733,236 | 37% | 63% |
| Operating Transfers Out | - | - | 0% | 0% |
| Debt Service | - | - | 0% | 0% |
| Total Expenses: | 294,836 | 811,915 | 36% | 64% |
| Net Income (Loss): | (337) | 6,359 | | |

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Administrative Services

December 2018

Fiscal Year Ending June 30, 2019

| | 2018-2019 Year to Date | 2018-2019 Annual Budget | Budget Utilized | Budget Remaining |
|---------------------------|------------------------------|-------------------------------|--------------------|---------------------|
| Revenues: | | | | |
| HAPS / Program | - | - | 0% | 0% |
| Administrative Fees | 29,028 | 57,368 | 51% | 49% |
| Grants / Contracts | - | - | 0% | 0% |
| Rental Income | 308,183 | 570,888 | 54% | 46% |
| Operating Transfers In | - | 170,000 | 0% | 100% |
| Other Income | 15,146 | 26,965 | 56% | 44% |
| Total Revenues: | 352,358 | 825,220 | 43% | 57% |
| Expenses: | | | | |
| Housing Assistance Pmts | - | - | 0% | 0% |
| Salaries | 15,115 | 22,192 | 68% | 32% |
| Employee Benefits | 5,730 | 8,647 | 66% | 34% |
| Capital Purchases | 176,701 | 228,000 | 78% | 22% |
| Maintenance | 78,682 | 149,005 | 53% | 47% |
| General Administrative | 74,495 | 155,508 | 48% | 52% |
| Tenant Services | - | - | 0% | 0% |
| Operating Transfers Out | - | - | 0% | 0% |
| Debt Service | 99,950 | 166,584 | 60% | 40% |
| Total Expenses: | 450,673 | 729,935 | 62% | 38% |
| Net Income (Loss): | (98,315) | 95,285 | | |