

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

June 26, 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 Regular Meeting held May 22, 2019

Motion to Approve as Submitted
 - B. Cancellation of the July 24, 2019 Regular Meeting

Motion to Approve Cancellation of the July 24, 2019 Regular Meeting
 - C. USDA Approved Budgets for FY 2019-20 for Casa Pajaro and Tierra Alta

Motion to Adopt Resolution No. 2019-06: Approval of Fiscal Year 2019-20 Budget for U.S. Department of Agriculture, Rural Development, Farm Labor Housing at 127-193 East Front Street, Watsonville, CA (“Casa Pajaro”) and Resolution No. 2019-07: 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”)
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. Housing Choice Voucher Administrative Plan Update

Motion to Approve Update to Housing Choice Voucher Administrative Plan
 - B. Repositioning Low Income Public Housing Units

Receive Report
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
 - A. Executive Director Employee Evaluation and Contract Renewal

(The Board will recess to discuss those items listed, if any.)
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 22, 2019 AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

AGENDA ITEM NO. 1

Roll Call

Chairperson Brunner called the meeting to order at 11:30 a.m. Members present Commissioners Berg, Brunner, Schiffrin and Schmale

Members Absent

Commissioners Eligio, Garcia and Pomerantz (excused)

Staff Present

Jennifer Panetta, Aaron Pomeroy 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 Brunner asked for a motion to approve the Consent Agenda.

Commissioner Schiffrin requested Agenda Item 3A (the Board Minutes) be pulled from the Consent Agenda, item so pulled.

Commissioner Schiffrin requested that the following sentence be add to Agenda Item 3A the Board Minutes under Agenda Item 6C Project Based Voucher RFP Criteria, "Commissioner Schiffrin recommended establishing a minimum number of points required to receive project based vouchers." Agenda Item 3A so amended.

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

AYES: Commissioners Berg, Brunner, Schiffrin and Schmale

NOES: None

ABSENT: Commissioners Eligio, Garcia and Pomerantz

ABSTAIN: None

Agenda Item 3A. Approval of the Minutes of the Regular Meeting held April 24, 2019 as amended

Agenda Item 3B. Authorized Execution of General Depository Agreement (HUD-51999) and Public Housing Consolidated Annual Contributions Contract (HUD-53012, Parts A and B).

Agenda Item 3C. Adopted Resolution No. 2019-03 Authorizing the Submittal of a Letter of Intent to Obtain HUD Moving to Work (MTW) Designation under the Second Cohort of the MTW Expansion and, if awarded MTW status, the Intension to Comply with MTW objectives, statutory requirements and the Operating Notice

AGENDA ITEM NO. 4 Oral Communications
None.

AGENDA ITEM NO. 5 Unfinished Business
None.

AGENDA ITEM NO. 6A Agency Budget for FY 2019-2020

Secretary Panetta and Finance Director Pomeroy gave a brief recap of the Agency Budget FY 2019-2020 which was presented to the board at the April 24, 2019 Regular Meeting. The agency budget reflects a 2.5% COLA for staff. Finance Director Pomeroy informed the Board that the Agency Budget for FY 2019-2020 also includes approval of the Low Income Public Housing (LIPH) operating budget Resolution No. 2019-05. The budgets are now before the Board of Commissioners for approval. A discussion followed.

Commissioner Schiffrin moved for approval of the proposed agency budget and LIPH budget Resolution No. 2019-05 for FY 2019-2020 as presented; Commissioner Berg seconded the motion and it was passed by the following vote:

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

Finance Director Pomeroy exited the meeting at 11:35 a.m. with thanks from Secretary Panetta and the Board of Commissioners.

AGENDA ITEM NO. 6B Update and Revision of Agency Bylaws

Secretary Panetta informed the Board that with the exception of a revision to the Housing Authority Bylaws in January 2018 changing the time of the annual and regular Board meetings from 1:00 pm to 11:30 am, the Agency Bylaws have not been updated or revised in decades. The attached revision was drafted with the assistance of our Agency's general council. Changes have been noted using the track changes tool. The revision brings our Bylaws into alignment with current HUD procurement regulations, the Brown Act, and Agency practices. A discussion followed. The Board of Commissioners directed staff to change the gender pronouns from he/she to they.

Commissioner Schiffrin moved for approval of revised Bylaws as presented with added direction to staff to change the gender pronouns from he/she to they; Commissioner Berg seconded the motion and it was passed by the following vote:

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

AGENDA ITEM NO. 7 Written Correspondence

Secretary Panetta congratulated Commissioner Schmale on his reappointment to the Housing Authority Board of Commissioners and thanked him for serving another term.

AGENDA ITEM NO. 8 Report of Executive Director

Executive Director Panetta updated the Board of Commissioner on the Housing Choice Voucher Waiting List.

Executive Director Panetta informed the Board that on May 10, 2019 HUD proposed new rules reinterpreting section 214 of the Housing and Community Development Act of 1980. The proposed rule would require ‘responsible entities’ who manage financial assistance from HUD under programs including LIPH, Section 8 and others, to require and submit immigration status documents through the Systematic Alien Verification for Entitlements (SAVE), run by Dept. of Homeland Security (DHS) on every applicant and participant. The proposed rule would require this submission at initial eligibility for applicants and new members added to households, and at the next regular reexamination for existing participants who have not submitted evidence through SAVE. The proposed rule would require that if the family fails to submit evidence of eligibility status or if the evidence fails to establish eligible immigration status, then any household members without eligible immigration status must either leave the household or the responsible entity must deny or terminate assistance. Submitting a declaration not contending eligible immigration status would no longer be acceptable. Proration of assistance would no longer be available. The notice states “HUD believes that an individual without verified eligible status living in a mixed household receiving long-term prorated assistance is benefiting from HUD financial assistance in a way that is prohibited by Section 214.” The Housing Authority will submit comments to HUD opposing the proposed changes and will work with industry advocates such as CAHA and NAHRO.

Executive Director Panetta informed the Board that HUD has released new income limits for 2019 as of April 24, 2019. The income limits have increased approximately 10%, depending on income category and household size.

Executive Director Panetta informed the Board that included in their Board packets, is the 50th Anniversary edition of the bi-annual Agency Report for 2019/2020. The report highlights many of our Agency’s accomplishments over the past 50 years, along with current success stories, infographics, a landlord profile, and a few other short articles about relevant topics such as our office move, our FMR study, the new vouchers we’ve received, and changes at Buena Vista Migrant Center. We will conduct

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community outreach to celebrate this milestone, distribute our agency report, and highlight agency successes with elected officials, non-profits, government agencies, landlords, and the general public.

Executive Director Panetta gave the Board a legislative update.

AGENDA ITEM NO. 9 Reports from Board Members
None.

The Board of Commissioners entered closed session at 11:52.

AGENDA ITEM NO. 10 Closed Session

A. Executive Director Employee Evaluation and Contract Renewal

The Board of Commissioner exited closed session at 12:12 p.m.

AGENDA ITEM NO.11 Report on Closed Session

No reportable action.

AGENDA ITEM NO. 12 Adjournment

The Board of Commissioners meeting was adjourned at 12:12p.m.

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

Chairperson of the Authority

ATTEST: _____

Secretary

AGENDA ITEM SUMMARY

MEETING DATE: June 26, 2019

ITEM NUMBER: 3B

FROM: Executive Director

SUBJECT: Cancellation of the July 24, 2019 Regular Meeting

RECOMMENDATION: Approve Cancellation of the July 24, 2019 Regular Meeting

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 24, 2019.

RECOMMENDATION: Approve Cancellation of July 24, 2019 Regular Meeting

AGENDA ITEM SUMMARY

MEETING DATE: June 26, 2019

ITEM NUMBER: 3C

FROM: Executive Director

SUBJECT: USDA Approved Budgets for FY 2019-20 for Casa Pajaro and Tierra Alta

RECOMMENDATION: Adopt **Resolution No. 2019-06:** Approval of Fiscal Year 2019-20 Budget for U.S. Department of Agriculture, Rural Development, Farm Labor Housing at 127-193 East Front Street, Watsonville, CA (“Casa Pajaro”) and **Resolution No. 2019-07:** 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:

The Housing Authority is required to submit annual budgets to USDA for the two Farm Labor Housing Programs, Casa Pajaro and Tierra Alta, as a condition of receiving USDA modernization loan proceeds in the past. The attached USDA approved budgets are based on Casa Pajaro and Tierra Alta’s portion of last month’s Board of Commissioner approved Agency-Wide budget with the addition of a five percent vacancy loss.

RECOMMENDATION:

Adopt **Resolution No. 2019-06:** Approval of Fiscal Year 2019-20 Budget for U.S. Department of Agriculture, Rural Development, Farm Labor Housing at 127-193 East Front Street, Watsonville, CA (“Casa Pajaro”) and **Resolution No. 2019-07:** Approval of Fiscal Year 2019-20 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. 2019-06

On the motion of Commissioner
Duly seconded by Commissioner

The Following Resolution is Adopted:

**RESOLUTION ADOPTING FISCAL YEAR 2019-20 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 2019-20 (July 1, 2019 - June 30, 2020) project budget submitted to USDA was approved.

NOW, THEREFORE, BE IT RESOLVED that the for fiscal year 2019-20 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 Sixth Day of June, 2019 by the following vote:

AYES:

NOES:

ABSENT:

Chairperson of the Authority

ATTEST:

Secretary of the Authority



Rural Development

May 10, 2019

Salinas Office

744-A LaGuardia Street
Salinas, CA
93905

NOTICE OF APPROVED RENT AND UTILITY ALLOWANCE CHANGE

John Fleisher, Controller
Housing Authority of the County of Santa Cruz
2160 41st Avenue,
Capitola CA 95010

SUBJECT: Casa Pajaro

Dear Management Agent:

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, 2019**

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	\$729.00	\$729.00	\$750.00	\$750.00	\$21.00
3-Bedroom	\$799.00	\$799.00	\$822.00	\$822.00	\$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	\$72.00	\$7.00
3-Bedroom	\$78.00	\$86.00	\$8.00

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
831-975-7740**

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>	07-01-2018	07-01-2018	07-01-2019	
ENDING DATES>	06-30-2019	01-31-2019	06-30-2020	
OPERATIONAL CASH SOURCES				
1. RENTAL INCOME	302,964.00	165,540.00	311,688.00	
2. RHS RENTAL ASSISTANCE RECEIVED		10,892.00		
3. APPLICATION FEES RECEIVED				
4. LAUNDRY AND VENDING	15,500.00	6,028.00	10,334.00	
5. INTEREST INCOME	2,750.00	1,775.00	3,042.00	
6. TENANT CHARGES	660.00	0.00	660.00	
7. OTHER -PROJECT SOURCES				
8. LESS (Vacancy and Contingency Allowance)	(15,148.00)		(15,584.00)	
9. LESS (Agency Approved Incentive Allowance)	()		()	
10. SUB-TOTAL [(1 thru 7) - (8 & 9)]	306,726.00	184,235.00	310,140.00	
NON-OPERATIONAL CASH SOURCES				
11. CASH-NON PROJECT				
12. AUTHORIZED LOAN (Non-RHS)				
13. TRANSFER FROM RESERVE	85,525.00		78,800.00	
14. SUB-TOTAL (11 thru 13)	85,525.00	0.00	78,800.00	
15. TOTAL CASH SOURCES (10+14)	392,251.00	184,235.00	388,940.00	
OPERATIONAL CASH USES				
16. TOTAL O&M EXPENSES (From Part II)	268,707.00	128,981.00	272,300.00	
17. RHS DEBT PAYMENT	6,601.00	3,850.00	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	18,984.00	29,700.00	
23. RETURN TO OWNER/NP ASSET MANAGEMENT FEE				
24. SUB-TOTAL (16 thru 23)	305,008.00	151,815.00	308,601.00	
NON-OPERATIONAL CASH USES				
25. AUTHORIZED DEBT PAYMENT (Non-RHS)				
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6)	85,525.00		78,800.00	
27. MISCELLANEOUS				
28. SUB-TOTAL (25 thru 27)	85,525.00	0.00	78,800.00	
29. TOTAL CASH USES (24+28)	390,533.00	151,815.00	387,401.00	
30. NET CASH (DEFICIT) (15- 29)	1,718.00	32,420.00	1,539.00	
CASH BALANCE				
31. BEGINNING CASH BALANCE	199,919.00	83,987.00	132,437.00	
32. ACCRUAL TO CASH ADJUSTMENT		16,030.00		
33. ENDING CASH BALANCE (30+31+32)	201,637.00	132,437.00	133,976.00	

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	11,328.00	6,860.00	12,247.00	
2. MAINTENANCE AND REPAIRS SUPPLY	4,200.00	1,394.00	4,200.00	
3. MAINTENANCE AND REPAIRS CONTRACT	15,000.00	7,723.00	15,000.00	
4. PAINTING	3,000.00	0.00	3,000.00	
5. SNOW REMOVAL				
6. ELEVATOR MAINTENANCE/CONTRACT				
7. GROUNDS	16,000.00	6,669.00	16,000.00	
8. SERVICES	2,200.00	1,062.00	2,200.00	
9. ANNUAL CAPITAL BUDGET (From Part V- Operating)	17,950.00	4,343.00	17,850.00	
10. OTHER OPERATING EXPENSES (Itemize)				
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10)	69,678.00	28,051.00	70,497.00	
12. ELECTRICITY	3,900.00	1,709.00	4,017.00	
13. WATER	16,000.00	7,839.00	16,480.00	
14. SEWER	15,500.00	8,785.00	15,965.00	
15. FUEL (Oil/Coal/Gas).....	2,500.00	678.00	2,575.00	
16. GARBAGE & TRASH REMOVAL.....	21,000.00	11,585.00	21,630.00	
17. OTHER UTILITIES.....				
18. SUB-TOTAL UTILITIES (12 Thru 17).....	58,900.00	30,596.00	60,667.00	
19. SITE MANAGEMENT PAYROLL.....	64,341.00	36,872.00	68,983.00	
20. MANAGEMENT FEE.....				
21. PROJECT AUDITING EXPENSE	750.00	610.00	750.00	
22. PROJECT BOOKKEEPING/ACCOUNTING.....				
23. LEGAL EXPENSES.....	300.00	146.00	300.00	
24. ADVERTISING.....	950.00	79.00	950.00	
25. TELEPHONE & ANSWERING SERVICE.....	1,236.00	552.00	1,236.00	
26. OFFICE SUPPLIES.....	1,300.00	577.00	1,300.00	
27. OFFICE FURNITURE & EQUIPMENT.....	1,500.00	896.00	1,500.00	
28. TRAINING EXPENSE	1,000.00	66.00	1,000.00	
29. HEALTH INS. & OTHER EMP. BENEFITS.....	32,642.00	17,501.00	32,707.00	
30. PAYROLL TAXES				
31. WORKMAN'S COMPENSATION	4,915.00	1,762.00	4,915.00	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize).....	9,995.00	8,957.00	9,995.00	
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32).....	118,929.00	68,018.00	123,636.00	
34. REAL ESTATE TAXES.....				
35. SPECIAL ASSESSMENTS				
36. OTHER TAXES, LICENSES& PERMITS.....				
37. PROPERTY& LIABILITY INSURANCE.....	4,500.00	2,316.00	4,500.00	
38. FIDELITY COVERAGE INSURANCE.....				
39. OTHER INSURANCE.....	16,700.00	0.00	13,000.00	
40. SUB-TOTAL TAXES& INSURANCE (34 thru 39).....	21,200.00	2,316.00	17,500.00	
41. TOTAL O&M EXPENSES (11 +18+33+40)	268,707.00	128,981.00	272,300.00	

PART III-ACCOUNT BUDGETING/STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE.....	917,241.00	928,056.00	957,756.00	
2. TRANSFER TO RESERVE.....	29,700.00	18,984.00	29,700.00	
TRANSFER FROM RESERVE.....				
3. OPERATING DEFICIT.....				
4. ANNUAL CAPITAL BUDGET (Part V - Reserve).....	85,525.00		78,800.00	
5. BUILDING & EQUIPMENT REPAIR.....				
6. OTHER NON-OPERATING EXPENSES.....				
7. TOTAL (3 thru 6).....	(85,525.00)	(0.00)	(78,800.00)	
8. ENDING BALANCE [(1 +2)-7].....	861,416.00	947,040.00	908,656.00	

GENERAL OPERATING ACCOUNT:*

BEGINNING BALANCE

ENDING BALANCE

83,987.00
132,437.00

REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:*

BEGINNING BALANCE

ENDING BALANCE

TENANT SECURITY DEPOSIT ACCOUNT:*

BEGINNING BALANCE

ENDING BALANCE

20,510.00
20,489.00

(*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON THE WAITING LIST	531	RESERVE ACCT. REQ. BALANCE	947,040.00
NUMBER OF APPLICANTS NEEDING RA		AMOUNT AHEAD/BEHIND	

PART V - ANNUAL CAPITAL BUDGET

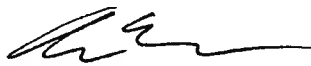
	Proposed Number of Units/Items	Proposed from Reserve	Actual from Reserve	Proposed from Operating	Actual from Operating	Actual Total Cost	Total Actual Units/Items
Appliances:							
Range	2			1,000			
Refrigerator							
Range Hood							
Washers & Dryers							
Other:							
Carpet & Vinyl:							
1BR							
2BR	5			11,500			
3BR	5	16,000					
4BR							
Other:							
Cabinets:							
Kitchens							
Bathrooms							
Other:							
Doors:							
Exterior							
Interior							
Other:							
Window Coverings:							
List:							
Other:							
Heating & Air Conditioning:							
Heating				1,650			
Air Conditioning							
Other:							
Plumbing:							
Water Heater	1			1,200			
Bath Sinks							
Kitchen Sinks							
Faucets							
Toilets							
Other:							
Major Electrical:							
List:							
Other:							
Structures:							
Windows							
Screens							
Walls							
Roofing							
Siding							
Exterior Painting		28,000					
Other: Wood Repair		15,000					
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: Solar Feasibility Study		4,000					
List: Unit Turnover Costs		5,800					
TOTAL CAPITAL EXPENSES:		78,800		17,850			

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.

4-1-19
(DATE)


(Signature of Borrower or Borrower's Representative)

Finance Director
(Title)

AGENCY APPROVAL (Rural Development Approval Official):

Sylvia Barbara, NIFH Specialist

DATE: 5/10/19

COMMENTS:

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

	Budget 17-18	Proposed Budget 18-19	YTD at 1-31-19
Travel	853	853	133
Office Rental Lease	6,300	6,300	5,756
Postage	1,600	1,600	883
Contracted Services	517	517	1,946
Commissioner Meetings/Stipend	50	50	70
Collection Losses	400	400	-
Misc	75	75	11
Membership/Dues	200	200	140
Subscriptions			18
Ergonomic Equip.			
Total	9,995	9,995	8,957

Budget approved subject to the following condition

1. any reserve request that exceed \$5000.00 must be submitted with the require bids for agency review and approval.

SB 5/10/19

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

RESOLUTION NO. 2019-07

On the motion of Commissioner
Duly seconded by Commissioner

The Following Resolution is Adopted:

**RESOLUTION ADOPTING FISCAL YEAR 2019-20 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 2019-20 (July 1, 2019 - June 30, 2020) project budget submitted to USDA was approved.

NOW, THEREFORE, BE IT RESOLVED that the budget for fiscal year 2019-20 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 Sixth Day of June, 2019 by the following vote:

AYES:

NOES:

ABSENT:

Chairperson of the Authority

ATTEST:

Secretary of the Authority



Rural Development

May 10, 2019

Salinas Office

744-A LaGuardia Street
Salinas, CA
93905

Voice: 831-975-7740

NOTICE OF APPROVED RENT AND UTILITY ALLOWANCE CHANGE

John Fleisher, Controller
Housing Authority of the County of Santa Cruz
2160 41st Avenue,
Capitola CA 95010

SUBJECT: Tierra Alta

Dear Management Agent:

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, 2019.

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	\$890.00	\$890.00	\$916.00	\$916.00	\$26.00
3-Bedroom	\$967.00	\$967.00	\$996.00	\$996.00	\$29.00

The approved utility allowance changes are as follows:

Unit Size	Present Utility Allowance	New Approved Utility Allowance	Amount Changed
Efficiency			
2-Bedroom	\$59.00	\$63.00	\$4.00
3-Bedroom	\$72.00	\$77.00	\$5.00

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
831-975-7740**

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 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>	07-01-2018	07-01-2018	07-01-2019	
ENDING DATES>	06-30-2019	01-31-2019	06-30-2020	
OPERATIONAL CASH SOURCES				
1. RENTAL INCOME	390,432.00	206,966.00	402,000.00	
2. RHS RENTAL ASSISTANCE RECEIVED		15,824.00		
3. APPLICATION FEES RECEIVED				
4. LAUNDRY AND VENDING	17,000.00	6,592.00	17,000.00	
5. INTEREST INCOME	2,100.00	1,206.00	2,100.00	
6. TENANT CHARGES	700.00	231.00	700.00	
7. OTHER -PROJECT SOURCES				
8. LESS (Vacancy and Contingency Allowance)	(19,522.00)		(18,547.00)	
9. LESS (Agency Approved Incentive Allowance)	()		()	
10. SUB-TOTAL [(1 thru 7) - (8 & 9)]	390,710.00	230,819.00	403,253.00	
NON-OPERATIONAL CASH SOURCES				
11. CASH-NON PROJECT		41,444.00		
12. AUTHORIZED LOAN (Non-RHS)				
13. TRANSFER FROM RESERVE	162,000.00	0.00	110,100.00	
14. SUB-TOTAL (11 thru 13)	162,000.00	41,444.00	110,100.00	
15. TOTAL CASH SOURCES (10+14)	552,710.00	272,263.00	513,353.00	
OPERATIONAL CASH USES				
16. TOTAL O&M EXPENSES (From Part II)	359,467.00	225,134.00	371,490.00	
17. RHS DEBT PAYMENT	4,034.00	2,353.00	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	57,867.00	26,250.00	
23. RETURN TO OWNER/NP ASSET MANAGEMENT FEE				
24. SUB-TOTAL (16 thru 23)	389,751.00	285,354.00	401,774.00	
NON-OPERATIONAL CASH USES				
25. AUTHORIZED DEBT PAYMENT (Non-RHS)				
26. ANNUAL CAPITAL BUDGET (From Part III, Lines 4-6)	162,000.00	0.00	110,100.00	
27. MISCELLANEOUS				
28. SUB-TOTAL (25 thru 27)	162,000.00	0.00	110,100.00	
29. TOTAL CASH USES (24+28)	551,751.00	285,354.00	511,874.00	
30. NET CASH (DEFICIT) (15- 29)	959.00	(13,091.00)	1,479.00	
CASH BALANCE				
31. BEGINNING CASH BALANCE	133,548.00	95,670.00	66,052.00	
32. ACCRUAL TO CASH ADJUSTMENT		(16,527.00)		
33. ENDING CASH BALANCE (30+31+32)	134,507.00	66,052.00	67,531.00	

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	11,994.00	7,267.00	12,967.00	
2. MAINTENANCE AND REPAIRS SUPPLY	6,000.00	3,142.00	6,000.00	
3. MAINTENANCE AND REPAIRS CONTRACT	18,000.00	8,827.00	18,000.00	
4. PAINTING	1,500.00	173.00	1,500.00	
5. SNOW REMOVAL				
6. ELEVATOR MAINTENANCE/CONTRACT				
7. GROUNDS	19,000.00	11,053.00	19,000.00	
8. SERVICES	2,017.00	1,062.00	2,017.00	
9. ANNUAL CAPITAL BUDGET (From Part V- Operating)	69,700.00	45,797.00	73,650.00	
10. OTHER OPERATING EXPENSES (Itemize)				
11. SUB-TOTAL MAINT. & OPERATING (1 thru 10)	128,211.00	77,321.00	133,134.00	
12. ELECTRICITY <input type="checkbox"/> If master metered	13,000.00	6,832.00	13,390.00	
13. WATER <input type="checkbox"/> check box on	2,500.00	1,079.00	2,575.00	
14. SEWER <input type="checkbox"/> front	44,584.00	29,189.00	45,922.00	
15. FUEL (Oil/Coal/Gas).....	2,000.00	697.00	2,060.00	
16. GARBAGE & TRASH REMOVAL.....	37,000.00	22,784.00	38,110.00	
17. OTHER UTILITIES.....				
18. SUB-TOTAL UTILITIES (12 Thru 17).....	99,084.00	60,581.00	102,057.00	
19. SITE MANAGEMENT PAYROLL.....	68,071.00	51,511.00	73,006.00	
20. MANAGEMENT FEE.....				
21. PROJECT AUDITING EXPENSE	800.00	645.00	800.00	
22. PROJECT BOOKKEEPING/ACCOUNTING.....				
23. LEGAL EXPENSES.....	1,000.00	155.00	1,000.00	
24. ADVERTISING	1,500.00	84.00	1,500.00	
25. TELEPHONE & ANSWERING SERVICE.....	1,250.00	584.00	1,250.00	
26. OFFICE SUPPLIES.....	1,600.00	610.00	1,600.00	
27. OFFICE FURNITURE & EQUIPMENT	2,500.00	948.00	2,500.00	
28. TRAINING EXPENSE	1,000.00	70.00	1,000.00	
29. HEALTH INS. & OTHER EMP. BENEFITS.....	34,538.00	18,541.00	34,602.00	
30. PAYROLL TAXES				
31. WORKMAN'S COMPENSATION	5,203.00	1,943.00	4,331.00	
32. OTHER ADMINISTRATIVE EXPENSES (Itemize).....	9,860.00	9,688.00	9,860.00	
33. SUB-TOTAL ADMINISTRATIVE (19 thru 32).....	127,322.00	84,779.00	131,449.00	
34. REAL ESTATE TAXES.....				
35. SPECIAL ASSESSMENTS				
36. OTHER TAXES, LICENSES& PERMITS.....				
37. PROPERTY& LIABILITY INSURANCE.....	4,850.00	2,453.00	4,850.00	
38. FIDELITY COVERAGE INSURANCE.....				
39. OTHER INSURANCE.....				
40. SUB-TOTAL TAXES& INSURANCE (34 thru 39).....	4,850.00	2,453.00	4,850.00	
41. TOTAL O&M EXPENSES (11 +18+33+40)	359,467.00	225,134.00	371,490.00	

PART III-ACCOUNT BUDGETING/STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
RESERVE ACCOUNT:				
1. BEGINNING BALANCE.....	617,197.00	610,439.00	678,133.00	
2. TRANSFER TO RESERVE	26,250.00	57,867.00	26,250.00	
TRANSFER FROM RESERVE				
3. OPERATING DEFICIT				
4. ANNUAL CAPITAL BUDGET (Part V - Reserve)	162,000.00	0.00	110,100.00	
5. BUILDING & EQUIPMENT REPAIR				
6. OTHER NON-OPERATING EXPENSES				
7. TOTAL (3 thru 6)	(162,000.00)	(0.00)	(110,100.00)	
8. ENDING BALANCE [(1 +2)-7]	481,447.00	668,306.00	594,283.00	

GENERAL OPERATING ACCOUNT:*		
BEGINNING BALANCE	95,670.00	
ENDING BALANCE	66,052.00	

REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:*		
BEGINNING BALANCE		
ENDING BALANCE		

TENANT SECURITY DEPOSIT ACCOUNT:*		
BEGINNING BALANCE	25,766.00	
ENDING BALANCE	26,954.00	

(*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON THE WAITING LIST	531	RESERVE ACCT. REQ. BALANCE	668,306.00
NUMBER OF APPLICANTS NEEDING RA		AMOUNT AHEAD/BEHIND	

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							
Refrigerator							
Range Hood							
Washers & Dryers							
Other:							
Carpet & Vinyl:							
1BR							
2BR	1			5,000			
3BR	1			6,250			
4BR							
Other:							
Cabinets:							
Kitchens							
Bathrooms							
Other:							
Doors:							
Exterior							
Interior							
Other:							
Window Coverings:							
List:							
Other:							
Heating & Air Conditioning:							
Heating	2	3,600					
Air Conditioning							
Other:							
Plumbing:							
Water Heater	2	2,500					
Bath Sinks							
Kitchen Sinks							
Faucets							
Toilets							
Other:							
Major Electrical:							
List:							
Other: <u>Solar Feasibility Study</u>		4,000					
Structures:							
Windows							
Screens							
Walls							
Roofing							
Siding							
Exterior Painting				28,000			
Other: <u>Wood Repair</u>				15,000			
Paving:							
Asphalt							
Concrete							
Seal & Stripe							
Other:							
Landscape & Grounds:							
Landscaping				2,000			
Lawn Equipment							
Fencing							
Recreation Area							
Signs							
Other:							
Accessibility Features:							
List:							
Other:							
Automation Equipment:							
Site Management							
Common Area							
Other:							
Other:							
List: <u>Waste Water Upgrades (Est.)</u>		100,000					
List: <u>Unit Turnover Costs</u>				7,400			
List: <u>LED Lighting</u>				10,000			
TOTAL CAPITAL EXPENSES:							
		110,100		73,650			

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.

4-11-19
(DATE)


(Signature of Borrower or Borrower's Representative)

Finance Director
(Title)

AGENCY APPROVAL (Rural Development Approval Official): <i>Sylvia Barber, MFH Specialist</i>	DATE: <i>5/10/19</i>
--	-------------------------

COMMENTS:

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

	Budget 18-19	Proposed Budget 19-20	YTD at 1-31-19
Travel	565	358	170
Office Rental Lease	6,700	5,800	6,092
Postage	1,700	1,200	934
Contracted Services	300	700	462
Membership/Dues	225	200	148
Commissioner Meetings/Stipend	70	70	44
Misc	150	268	221
Subscriptions	50	25	19
Computer Services/Supplies	100	1,239	1,597
Collections Losses- W/O			-
Total	9,860	9,860	9,688

Budget approved subject to the following condition

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

 5/10/19

AGENDA ITEM SUMMARY

MEETING DATE: June 26, 2019

ITEM NUMBER: 6A

FROM: Executive Director

SUBJECT: Housing Choice Voucher Administrative Plan Update

RECOMMENDATION: Approve Update to Housing Choice Voucher Administrative Plan

BACKGROUND SUMMARY:

The Housing Choice Voucher Administrative Plan includes information about waiting list procedures for the Section 8 Housing Choice Voucher and Project Based Voucher Programs. The following proposed changes do not constitute significant changes or substantial deviations to the Plan.

Farmworker Units at San Andreas – There are currently 5 Project Based units at San Andreas that are designated for farmworker families. These units are offered to eligible applicants at the top of the regular Section 8 Housing Choice Voucher waiting list, as opposed to a specific site-based waiting list. Currently, the Section 8 waiting list does not include information on farmworker status. Therefore, when the waiting list is low, it can be difficult to find an eligible farmworker family on the list. As we begin to utilize our new online waiting list, we will collect farmworker status for all applicant families, so this is not expected to be a challenge in the future. The proposed change would allow the Housing Authority to accept a referral of an eligible farmworker family from MidPen’s site based waiting list if an eligible family cannot be identified after 120 days of outreach to the Section 8 waiting list.

The following is an excerpt from page 4 of the Administrative Plan. The proposed addition is in blue.

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. Units in all other Project Based Voucher developments are offered based on placement on the Housing Choice Voucher waiting list. Existing Housing Choice Voucher holders may transfer into a Project Based Unit in developments that utilize a combined waiting list. Such voucher holders will be given preference over waiting list applicants. [For the Project Based Units designated for farmworker families at San Andreas, the Housing Authority will conduct outreach to the Housing Choice Voucher waiting list to identify eligible families already on the list. However, if no such eligible families can be identified, the Housing Authority may accept referrals of eligible farmworker families from Mid-Pen’s waiting list to avoid an extended vacancy in the unit.](#)

St. Stephens Senior Housing – There are 39 project based senior units at St. Stephens. Originally, the property was intended to utilize the regular Section 8 waiting list, offering units to seniors who had been waiting for a voucher for several years. However, one of the funding sources required a new site based waiting list. In order to honor the intent to serve seniors on the existing waiting list, half of the units had a preference for existing Section 8 applicants for initial occupancy, based on their original date of placement on that waiting list. Now that this list has been exhausted, this is no longer applicable, and the existing policy adds an unnecessary level of complexity to the St. Stephens waiting list administration.

The following is an excerpt from page 4 of the Administrative Plan. The proposed deletions and additions are in blue.

St. Stephens Senior Housing – St. Stephens Senior Housing, located at 2510 Soquel Avenue, is a Project Based Voucher complex developed and operated by MidPen Housing for occupancy by low income seniors at least 62 years of age. There are a total of 39 project based units at St. Stephens. Five units are designated for formerly homeless veterans participating in the HUD-VASH program, as referred by the Veterans Administration. Five units are designated for frail elderly Multipurpose Senior Services Program (MSSP) eligible persons. Health Projects Center will maintain an interest list for these units, with a preference for persons who would benefit most from the services offered at the St. Stephens Senior Housing project. Health Projects Center will make referrals of MSSP eligible persons directly to the Housing Authority for placement on a site based waiting list for these five units. The Housing Authority will administer the St. Stephens MSSP site based waiting list and make referrals to MidPen. Additionally, the Housing Authority will establish a site based waiting list for the remaining 29 project based units. ~~Applicants already on the Santa Cruz County Housing Choice Voucher waiting list who are added to the St. Stephens site based list will retain their original date of placement. MidPen Housing will apply preferences for the remaining 29 project based units as follows: for 14 units, seniors already on the HCV waiting list will receive a preference, and their applications will be processed based on their original date of placement; for 15 units, applications~~ Applications will be processed based on a sequence established in a lottery.

Preference for Disabled Persons Transition from Institutions – The Housing Authority Housing Choice Voucher waiting list has a limited preference for disabled persons transitioning from institutions. This waiting list preference, limited to 12 vouchers, is nearly fully utilized. The Housing Authority proposes to allow households that have been stably housed for at least two years to “graduate” with a regular voucher, if they are in good standing and if there are vouchers available. This would create a vacancy for a new referral for another disabled person transitioning from an institution. This is similar to other targeted voucher programs such as VASH and DMV.

The following is an excerpt from page 7 of the Administrative Plan. The proposed additions are in blue.

A maximum of 12 households may be assisted by this preference program at any given time. The Housing Authority may continue to accept referrals for persons who would be eligible for this preference while the waiting list is closed. ~~DTI voucher holders who have been stably housed for 2 years may~~ “graduate” into the regular voucher program if they are in

good standing with the program and there are vouchers/funding available. At that time, the DTI voucher would be available for the next eligible family referred to the Housing Authority.

A complete copy of the Administrative Plan, as approved by the Board in April 2019, is available on our website at <https://www.hacosantacruz.org/general-information/agency-plans/>.

RECOMMENDATION: Approve Update to Housing Choice Voucher Administrative Plan

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

AGENDA ITEM SUMMARY

MEETING DATE: June 26, 2019

ITEM NUMBER: 6B

FROM: Executive Director

SUBJECT: Repositioning Low Income Public Housing Units

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

Historically, the capital needs of the nation's public housing stock have outpaced federal funding for capital repairs, resulting in an increasing backlog of capital needs, currently estimated to exceed \$26 billion. Many PHAs are unable to preserve the quality their units, and deplorable conditions in some public housing developments have made national headlines. In recent years, HUD has encouraged PHAs to reposition their public housing stock, allowing communities to develop locally appropriate strategies to preserve affordable housing. Until recently, the repositioning options available have not been advantageous to our Agency. However, new repositioning options look promising, and are currently being explored by staff. In addition to increasing the incentives for public housing repositioning, industry analysts have suggested that HUD will be reducing Capital Funds and Operating Subsidy budgets beginning in FFY 2020, as a dis-incentive for retaining public housing programs.

On March 21, 2019 HUD issued PIH Notice 2019-05: Section 22 Streamlined Voluntary Conversions of Last Remaining Projects of Small Public Housing Agencies. This notice announces a new repositioning option for PHAs, like ours, with fewer than 250 public housing units. Under new guidance, PHAs could utilize a streamlined process to voluntarily reposition public housing units, transferring those units to an affiliated non-profit organization, and awarding the agency Tenant Protection Vouchers (TPVs) for all of the households in the units. This repositioning option is only available if it will result in the conversion of all public housing units owned by the PHA, closing out their public housing program. In this scenario, market rents could be charged (capped at rent reasonableness), and while the tenant would continue to pay an affordable rent (capped at 30% income) the affiliated non-profit would receive the HAP payment, and the PHA would receive the administrative fees.

The Housing Authority has discussed several repositioning approaches with HUD, and with a HUD provided consultant, who performed an initial analysis of the rents in various repositioning scenarios. Staff have also begun a discussion with another outside consultant to perform an independent analysis to confirm the results. Based on initial results, it appears that utilizing the Section 22 streamlined voluntary conversion with Tenant Protection Vouchers would be beneficial to both the tenants and to the Agency. Tenants would not experience an increase in rent, and would retain the right to remain in their unit at their current rent. However, tenants would also have mobility, and may elect to move out of their public housing unit with a regular Housing Choice Voucher. Additionally, it appears that the

rental income generated would exceed the current level of capital funds and operating subsidies. Beyond that, the additional 234 vouchers would result in additional administrative fee revenue for the Section 8 program. The process of voluntarily converting public housing units is time consuming, yet considering the potential for significant benefit, staff are motivated to complete this analysis and bring a recommendation to the Board quickly.

RECOMMENDATION: Receive Report



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June 18, 2019

Regulations Division, Office of General Counsel
U.S. Department of Housing and Urban Development
451 7th Street SW, Room 10276
Washington, DC 20410

**Re: Docket No: FR-6124-P-01; Housing And Community Development Act of 1980:
Verification of Eligible Status.**

To Whom It May Concern:

The Housing Authority of the County of Santa Cruz (CA072) opposes the regulatory changes proposed in Docket No: FR-6124-P-01; Housing And Community Development Act of 1980: Verification of Eligible Status. The proposed regulatory changes would require Public Housing Authorities (PHAs) to deny program admission to, and terminate housing and rental assistance from, any household that includes any household member that does not have legal residency. HUD has stated this is necessary in order to bring HUD regulations “into greater alignment” with Section 214 of the Housing and Community Development Act of 1980, which prohibits HUD from making financial assistance available to persons other than legal residents.

Under current regulations, only eligible persons receive housing assistance, making the proposed rule completely un-necessary. PHAs prorate rental assistance, so no assistance is provided for ineligible household members. In fact, when determining the household’s share of *cost*, the income of ineligible members is included in household income, but these family members don’t get counted in the housing assistance *benefit*.

The proposed rule – by HUD’s own Regulatory Impact Analysis¹ – will cause these consequences:

- 1.) Families, including children, will lose their housing and may become homeless.
- 2.) The quantity of housing assistance, and the quality of public housing stock, will decrease.
- 3.) Administrative costs will increase.

¹ 2019 Regulatory Impact Analysis, Housing and Community Development Act of 1980: Verification of Eligible Status, Proposed Rule Docket No: FR-6124-P-01. 4/15/2019

1.) Families, including children, will lose their housing and may become homeless.

HUD's regulatory impact analysis states that "HUD assumes that most mixed households will leave HUD's assisted housing as a result of this rule." This consequence is extreme, and counter to the stated goal of the proposed regulatory change, as most of the household members in mixed households are not only legal residents, they are also minor children. By HUD's own estimates 71 percent of persons in the 25,000 mixed status families are eligible members, of which 73 percent are children (0-17 years old). Therefore, most of the people who will lose their housing or become homeless as a result of this rule are *American children with legal residency*.

Even under a best-case scenario, families who lose their assistance as a result of this proposed rule will incur increased rent burden, often leaving little of their income left over to provide for other basic needs. By HUD's own analysis, 25% of the 25,000 households will be formally evicted from their units, and others, including American children with legal residency, will become homeless. Additionally, numerous families will be forced to separate to avoid homelessness.

2.) The quantity of housing assistance, and the quality of public housing stock, will decrease.

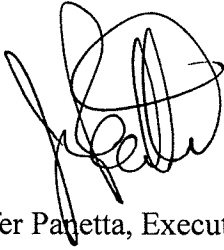
HUD's analysis calculates that the proposed rule increases the cost of housing assistance between \$179 million – \$210 million in the first year of implementation, as a result of transferring assistance away from mixed status households (who receive prorated assistance, and therefore are less costly to assist) to replacement households. HUD states that "perhaps the likeliest scenario would be that HUD would have to reduce the quantity and quality of assisted housing in response to the higher costs." In the Section 8 Housing Choice Voucher program this means fewer households served, and in the Public Housing program this means further deterioration of an already aging housing stock.

3.) Administrative costs will increase.

Under the proposed rule, housing authorities would be required to terminate assistance from any mixed status family that did not choose to force non-legal residents, including minor children, out of the household. Program terminations and evictions are extremely costly, and result in decreased administrative fee revenue and the need to fill more units or issue new vouchers, which also adds to our administrative costs.

The consequences described above are unacceptable, and are contrary to HUD's mission, and the mission of the Housing Authority of the County of Santa Cruz. Further, this PHA disagrees with the assertion that allowing mixed status families to participate in federally funded housing programs is in violation of Section 214 of the Housing and Community Development Act of 1980. Prorated housing assistance, as allowed under existing regulation, directs housing assistance to eligible legal residents, without penalizing legal residents based on the status of other members of their household.

Applying changes in eligibility criteria to families already participating in federal programs, knowing that it will result in homelessness, is both unconscionable and unprecedented. The last time the eligibility criteria for federal housing programs was changed was in 2001, when HUD prohibited lifetime registered sex offenders. Those eligibility changes were applied to new households entering the programs. Existing sex offenders already in federal housing were grandfathered in and allowed to keep their housing or rental assistance, rather than being terminated or evicted. We hope that at the very least, HUD will take the same care in avoiding housing disruption and homelessness of low-income families with minor children that they took with lifetime registered sex offenders. Current regulations allowing prorated assistance are already in compliance with Section 214 of the Housing And Community Development Act of 1980, and this Agency opposes the proposed regulatory changes in their entirety. However, if the courts support a reinterpretation of Section 214 that would result in any required change to the eligibility criteria of federal housing programs, our Agency believes such changes should apply to prospective families only, and that current program participants should be grandfathered in.

A handwritten signature in black ink, appearing to read 'Jennifer Panetta', written in a cursive style.

Jennifer Panetta, Executive Director
Housing Authority of the County of Santa Cruz

From: [REDACTED]

Sent: Wednesday, June 12, 2019 10:50 PM

To: Info

Subject: Board of Directors

I would like the email address for the board of directors or direct contact information - I have a family of 5 - I have lived in the same home for 16 years. My housing is only allowed a two bedroom, despite that I live in a three bedroom home. I have a 28 year old daughter and 15 year old son - I am there mother. Along with a 3 three year old grand daughter, plus my partner.

I have special circumstances and the fact I am expected to live on a two bedroom voucher, in a 3 bedroom home is detrimental to my families ability to get ahead in life. My twenty eight year old daughter should qualify for a voucher benefit , separate from my fifteen year old son. Allowing me a three bedroom voucher. I don't understand why I am subjugated to a two bedroom voucher. My entire income goes to paying bills and rent- well over the thirty percent of my income - this is unfair as part of the Fair Housing act. I cannot get ahead. It is my understanding these special circumstances are based on age. Am I to understand, my 15 year old SON and my 28 year old adult DAUGHTER are expected to share the same bedroom? My mate is a veteran, who is applying for veterans disability. I have had to nearly sell every small item I own, obtain assistance from the county or churches just to make ends meet - so we have a home to still call home.

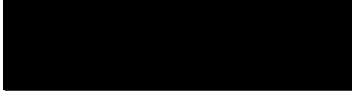
I have lived in this home for nearly 16 years - this is not FAIR - I am in no better position then when I had started. I need assistance to make this change and obtain a three bedroom voucher for my home, which I feel I am justified in obtaining. Please forward this message to the Board of Directors - your staff does not assist me in this matter. They dismiss my concerns and claim it is nothing but county choice. I do not find this legal - or part of the Fair Housing Act as we have been suffering - and if this keeps prolonging I may have to go to the media to expose what I feel maybe a corrupt HA system. I need help! Please forward to the Board of Directors to assist me, I feel this is my only choice.

[REDACTED]
[REDACTED]
Watsonville, CA 95076
[REDACTED]



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June 20, 2019



Watsonville, CA 95076

Dear 

We are in receipt of your email dated June 12th, regarding your request for a three bedroom voucher. This email has been provided to our Board of Commissioners per your request.

You have been on the Section 8 Housing Choice Voucher (HCV) Program since July, 2000.

In the Section 8 HCV Program, “payment standards” are used to calculate the monthly housing assistance payment for a family. The payment standard is the maximum monthly subsidy payment. Payment standards are established for each voucher bedroom size, based on the Housing Authority’s established subsidy standards. The subsidy standards are established within the Section 8 Administrative Plan, which is approved annually by the Board of Commissioners and by HUD. The program requirements specify that the subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding. The following excerpts from the Administrative Plan describe limitations on the subsidy standards, as well as how changes in family composition impact those subsidy standards.

One bedroom will be allocated to the head of household and his/her spouse or registered domestic partner or significant other. One bedroom will be allocated to every two approved household members, regardless of gender, age, or familial status.

The following individuals may be added to the household, but will NOT increase the family’s voucher size. Additionally, the following individuals may only be added to the household if they do not result in overcrowding, and will not be eligible to receive the voucher if the family breaks up.

The grandparent or great-grandparent of the head of household

The grandparent or great-grandparent of the head of household’s spouse/registered domestic partner

The grandchild or great-grandchild of the head of household

The grandchild or great-grandchild of the head of household’s spouse / registered domestic partner

In other words, household members that are one generation from the head of household (a parent or child of the head of household) may be added to the household and will increase the voucher size. Household members that are more than one generation from the head of household (a grand-parent or grand-child) may be added to the household if it does not result in overcrowding, but the addition does not increase the voucher size.

The following household members are counted towards the voucher size:

Yourself as Head of Household;

The following household member is not counted towards the voucher size:

Your grand-daughter

Based on the subsidy standards above, your current family composition is eligible for a 2 bedroom voucher and a 2 bedroom payment standard.

When your mother was living in the assisted unit, your voucher size was a 3 bedroom. Your mother moved out effective February 1, 2018 and your voucher size was decreased at your annual re-examination effective August 1, 2018 after six months of advance notification regarding this change.

You have requested an increase to your voucher size to decrease your current rent burden. While we cannot accommodate this request based on the policy and household composition noted above, you have several options with regards to your household composition and unit. Your family may continue living in a three bedroom unit with a two bedroom voucher. As you've stated, your rent burden is significantly above 30% of your income in this scenario. If you have an additional change in your household composition, your voucher size will be re-evaluated. If you move into a two bedroom unit (or a less expensive three bedroom unit) your portion of the rent will reduce. Our staff will be happy to provide additional information about these options.

If you do not agree with the determination of your current voucher size based on the subsidy standards, you have the right to an informal hearing. The informal hearing would be about the determination of your 2 bedroom voucher size based on the subsidy standards in place, not about the subsidy standards policy.

Your request for an informal hearing must be received in writing by the Housing Authority within fifteen (15) calendar days after the date of this letter.



[REDACTED]
Page 3
[REDACTED]

At an informal hearing you will have the opportunity to present both oral and documentary evidence. You may bring an attorney or other person to represent you. In order to ensure adequate seating, please advise us how many people will be attending, and whether or not an attorney will be accompanying you.

Either the family or the Housing Authority may elect to record the hearing at its own expense. If either party wishes to record the hearing, it must notify the other in writing at least 5 days prior to the hearing; however, the Housing Authority will record all hearings recorded by the family without providing specific prior notification. Neither party is obligated to share their recording with the other party.

If you request an informal hearing, you must make available to the Housing Authority all documents that you will be presenting at the informal hearing. Your evidence must be available for review at the Housing Authority office no later than five (5) business days before the scheduled hearing. The Housing Authority may copy these documents at its expense.


Prior to the hearing, you or your representative may call for an appointment to examine the relevant Housing Authority evidence. Any copies of evidence requested will be provided at your expense.

If you or the Housing Authority fail to make evidence available to the other party upon request, then that evidence may not be relied on at the informal hearing.

Persons with disabilities have the right to request reasonable accommodation, if such accommodations are needed to allow participation in the informal hearing process.

If the Housing Authority does not receive any written response from you within fifteen (15) calendar days after the date of this letter, no informal hearing will be conducted and you will have no other opportunities to request a hearing or to appeal this decision.

Sincerely,


Ana Burns,
Eligibility & Occupancy Director

If you have a disability which precludes you from complying with this letter, please call (831) 454-9455 ext. 701, Monday through Thursday between 8:00 AM – 4:30 PM. The office is closed on Fridays.

Si desea una traducción en español, por favor llame al (831) 454-9455 ext. 701, de lunes a jueves. entre 8:00 AM - 4:30 PM. Los viernes la oficina se encuentra cerrada.

AGENDA ITEM SUMMARY

MEETING DATE: June 26, 2019

ITEM NUMBER: 8

FROM: Executive Director

SUBJECT: Executive Director's Report – June 26, 2019

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

Please call or e-mail me with questions you might have on any of the Agenda Items for the June 26, 2019 meeting. I would be happy to give you additional background or answer any of your questions in advance of the meeting. My direct phone number is (831) 454-5931 and my email address is jennyp@hacosantacruz.org.

Green Business Certification: As of May 14, 2019, the Housing Authority of the County of Santa Cruz is now recognized as a Santa Cruz County Green Business! Green Business recognition is location specific and good for four years from the date of recognition, after which we will undergo a recertification. The Green Business Certification process included an assessment of our existing office facilities and practices, after which the Agency incorporated recommendations including changes to our copy paper and a transition to 100% renewable electricity through Monterey Community Power. Additionally, the Agency agreed to ongoing green improvements including improvements to recycling, and reduction of toxic janitorial products.

Housing Authority Software Conversion: Housing Authority staff have transferred all data from the previous software system (Tenmast) into the new software product (Yardi Voyager). Staff are in the process of completing validation of the data in the new software, and beginning to work in the new software environment. By the time of the Board meeting, it is expected that staff will be up and running in the new system, working on generating the first monthly check run for our July 1 “go-live” date. Our entire staff and management team have worked *tirelessly* over the course of months, including many late nights and weekends, to ensure a successful conversion. Once we begin working in the new software, there will be additional data cleanup, development of letters and reports, and the enhanced software functionality will require that we complete a series of process evaluations to streamline our routine processes and make the best use of our new tools. These improvements will be ongoing over the next year. Additionally, we will conduct a “soft launch” of our online portals with a test group of applicants, caseworkers, program participants, and landlords prior to opening them up for general use.

Legislative Update: The California Association of Housing Authorities (CAHA) is co-sponsoring SB329, which would prohibit landlords from discrimination against Housing Choice Voucher holders. Existing state law already prohibits housing discrimination based on source of income. However, in California (as in most states) voucher payments to landlords are not considered income. If passed, this bill would add voucher payments as a source of income, thereby prohibiting landlords from discriminating against prospective tenants on this basis. The bill passed the state senate with a comfortable margin and appears to be on a path to the Governor’s desk.

With regards to the Federal budget, the House T-HUD subcommittee responded to the Trump Administrations proposed cuts with their own draft 2020 appropriations bills, reflecting modest increases in HUD funding. The draft bill is estimated to provide sufficient renewal funding for all current voucher holders. It also provides slight increases to administrative fees, but still falls short of the estimated costs to operate the voucher program. The bill includes language that prohibits HUD from using funding to implement their proposed mixed immigration status family rule. Other interesting notes from the House T-HUD Appropriations subcommittee include additional funding for Tenant Protection Vouchers (although not explicitly for LIPH repositioning). The committee also directed HUD to work with authorizing committees to “develop statutory flexibilities” so that vouchers will be usable in rapidly rising rental markets, and asked HUD to develop recommendations regarding funding levels necessary to ensure PHAs can serve the same number of households.

Despite the significant progress being made by the House Appropriations Committee on completing all FY 2020 spending bills by the end of June, the House and Senate still has not yet reached an agreement on overall spending levels for the upcoming fiscal year. The Senate will not begin working on individual Department budgets (such as HUD) until that deal is reached. While the House THUD bill is a good benchmark for FY 2020, the final numbers are likely to change depending on the budget deal that is reached. Fortunately, there is bipartisan support for a deal and negotiations between Congressional leadership and the White House have begun.

Preview of homeless census shows slight drop

POINT IN TIME COUNT

By Jessica A. York

jjork@santacruzsentinel.com @reporterjess on Twitter

SANTA CRUZ >> Homelessness countywide had dropped less than four percent in two years, according to information released Monday in an early preview of a regional census' results.

For those watching a highly visible explosion of people living on the streets of the city of Santa Cruz and other parts of the county in the past year or more, a decrease of about 82 people — tallied during a single-day count in January — may come as a surprise, observers said.

Grassroots homelessness services provider Brent Adams disagreed with the census' findings, attributing the drop to his belief that the survey was conducted without canvassers with enough expertise. Adams operates the Day and Night Storage Program and the Winter Shelter Program, efforts for which he said he has seen an increase



A man, carrying his possessions on his bicycle, stops in the middle of the crosswalk in downtown Santa Cruz to check for an item among his things.

DAN COYRO — SANTA CRUZ SENTINEL

in attendance.

“I believe the count is up, I believe the population is up quite a bit,” said Adams, who works with UC Santa Cruz interns to conduct his own smaller-scale Connecting the Dots Homeless Needs Survey. “I believe that the encampment last year and the encampment this year has drawn many more people into the county than had existed before, because of these stranger-attracting devices.

Taking the pulse

be made available by the end of August or earlier. A draft version of the census, commissioned by the Homeless Action Partnership, is being circulated among agencies and officials for review, he said.

“About two-thirds of the state have released their numbers, so we thought that it was appropriate to get our number out there,” Hoppin said. “There’s a lot of statistical analysis that goes into these figures. So they have to verify all that kind of methodology. But I don’t think the city of Santa Cruz is going to change all that much from 2017.”

Every two years, officials hire a consultant to conduct what is known as a point-in-time count of the area's homeless population, the data for which is required for federal and state grants. Early one day at the end of January this year, volunteers coordinated by the Watsonville-based Applied Survey Research spread across the county for a head count.

"Although the numbers are down and that's a nice thing to say, they're not. We've seen a slight decrease and I don't think anybody's claiming victory, here," Santa Cruz County spokesman Jason Hoppin said. "We hope it represents this turning point. We're glad that we didn't see some of the increases that we see in other communities. It's obviously still a major issue of concern for the community and one that we continue to work on."

Since the last homeless census, several initiatives aimed at reducing homelessness have launched. In a release from the joint-jurisdiction Homeless Action Partnership, some of those efforts named to improve community response to homelessness include the Smart Path Coordinated Entry System, a way of ranking and sharing assessments of program participants across agencies; the Housing Authority of Santa Cruz County has increased its available Section 8 housing vouchers by 4 percent; and less than 10 new housing units catering to formerly homeless persons have been built.

Homeless Services Center Executive Director Phil Kramer said the homeless count's slight decrease was attributed to "many programs and initiatives which are at the heart" of his organization, such as the reduction in chronic homelessness, on which the specialized housing effort known as the 180/2020 initiative is focused.

Preliminary results

This year's census, its results still preliminary, estimated there were some 2,167 people living in homeless in the county. Two years earlier, that number was 2,249. City-by-city specifics were not available, Hoppin said, and the full report will

Of information released this week, more than 78 percent of those counted had no form of shelter, down from 80 percent in 2017. Those experiencing chronic homelessness dropped two-thirds, from about 600 to about 400 in the past two years, while veteran homelessness similarly decreased from about 236 to 150, Hoppin said. Youth and family homelessness, however, "showed slight increases," he said.

According to data gathered in the 2017 homeless census, Santa Cruz County had the nation's highest rate of unaccompanied and unsheltered homeless youth among small cities and counties, at a rate of 98%. *Contact reporter Jessica A. York at 831-706-3264.*



Parked on Marine Parade, Maggie Perry, who is homeless, checks a map of the Seabright area before dawn in January as she teams up with Don Lane to count homeless people in their sector of Santa Cruz. Some 41 volunteers and seven homeless guides branched out across the county as part of this year's Applied Survey Research point-in-time homeless count.

DAN COYRO — SANTA CRUZ SENTINEL FILE

Tuesday, 06/18/2019 Pag.A01

Preparing a Place for Seniors in Santa Cruz, California



St. Stephen's Senior Housing provides 39 affordable apartments for seniors on the grounds of a church in Santa Cruz, California. Credit: Photo by Emily Hagopian, courtesy of MidPen Housing

Nestled along California's Pacific Coast just south of San Francisco Bay, Santa Cruz County is a community of about a quarter of a million people with close ties to the job centers of Silicon Valley. The county lacks sufficient land and zoning types to meet its housing needs. In 2011, St. Stephen's Lutheran Church, a congregation of about 350 in Santa Cruz, identified a way to serve its neighbors who needed housing. As a founding member of Communities Organized for Relational Power in Action (COPA), a longstanding local organization that advocates for various social justice issues, the church was able to follow through on its vision to create new affordable housing for seniors in the [community](#).

A Community Called To Act

Reverend James Lapp, pastor of St. Stephen's Lutheran Church, recalled that the catalyst for the congregation's affordable housing efforts was when the church decided to allow a member family with two working parents who had grown up in the congregation to live in a trailer in the church's parking lot because they could not afford rent. Having congregants unable to afford rent in their own community drove the church to take housing affordability challenges seriously. From this call to action came the project that became St. Stephen's Senior [Housing](#).

Because of the shape of the lot, the church would need to share parking facilities with any potential housing project. Jan Lindenthal, chief real estate development officer at MidPen Housing (MidPen), recalled that the parking situation was behind the decision to focus on seniors. Senior housing

projects require fewer parking spots per unit (and, therefore, less overall space dedicated to parking) than do developments for other potential populations. In addition, MidPen's experience in managing senior housing in other locations gave it confidence that it would be able to provide high-quality residential services to fill an unmet need in Santa Cruz [County](#).

St. Stephens Senior Housing began leasing to tenants in 2017. Lapp reported that the project had considerable demand and that by opening day, the building was fully leased and had a waiting list of more than 700 people. The project consists of 40 units, a mix of 4 studio, 4 one-bedroom, and 32 two-bedroom apartments. With the exception of the manager's apartment, all 39 other units are affordable for seniors earning 30, 40, or 50 percent of the area median [income](#).

Funding

St. Stephen's Senior Housing cost slightly less than \$18 million to develop. The primary funding source for the project was the sale of \$10.7 million in low-income housing tax credits (LIHTCs) to Wells Fargo. Acquiring the LIHTCs presented a major impediment to the project; St. Stephen's and MidPen applied for four cycles of LIHTC funding before they were finally approved. Lindenthal stated that although securing funding for the project was challenging, the church congregation maintained its support for MidPen's mission and the project during the lengthy grant application process — one that other partners might not have been willing to [endure](#).



MidPen Housing organizes social activities that take advantage of the communal spaces in the building and help create a sense of community among residents. Credit: Photo by Emily Hagopian, courtesy of MidPen Housing

The senior housing is built on land owned by t St. Stephen's Church that MidPen occupies through a 99-year ground lease. To support the construction, the church agreed to lease the land to MidPen for a lump-sum payment of only \$1.2 million — about half of its market value. In addition to the cash payment that would be held in an endowment for the congregation, MidPen also agreed to provide in-kind payments in the form of a newly paved parking lot with curbing, landscaping, and lighting; a new church sign; a sidewalk; and a left-turn lane into the church [property](#).

The remaining funds came in several forms from Santa Cruz County. The county provided \$5.3 million during the predevelopment, acquisition, and construction phases that it had been allocated through a state program and had to use before the funds [expired](#). In addition, the Housing Authority of Santa Cruz County provided project-based Section 8 vouchers worth approximately \$9 million over 15 years, making St. Stephen's Senior Housing only the second voucher-funded project in the county. Mid Pen then leveraged those vouchers to finance the construction of the building and break ground. As a condition of receiving the vouchers, the county negotiated with MidPen and the church to set aside five units each for medically frail seniors and [veterans](#).

Onsite Amenities and Community

MidPen Housing's role in the project did not end when the doors opened to the public. The company provides onsite senior services in the form of social activities such as bingo and potlucks as well as outdoor recreation at the onsite bocce court. In its role as a service coordinator, MidPen also brings in other groups to provide programs such as income tax preparation and health screenings for residents. In addition, students of the church's onsite preschool engage in intergenerational programs with senior housing residents. These programs are particularly special to one resident who grew up in Santa Cruz and raised his family in the neighborhood but was facing displacement because of housing costs. Lapp recounted that St. Stephen's Senior Housing allowed him not only to stay in the community but also see his granddaughter, who attends preschool on the [property](#).

Community Response

Because only one side of the property abuts a residential area, the project faced little community opposition, particularly after assuring the adjacent residential community that the development would not have an exit onto their street. Julie Conway, housing program manager for Santa Cruz County, reported that the primary complaint she receives about the development is that it does not have even more [units](#).

St. Stephen's Senior Housing: Lighting the Way for Future Actions

The congregation of St. Stephen's is pleased with the result of their affordable housing initiative, according to Lapp. He reported that other Lutheran congregations around the country have contacted him to discuss building affordable housing on their campuses, and he added that the church has been proud to serve as an example for their broader faith community. St. Stephen's has continued to advocate for housing affordability, both through COPA and in the community. MidPen has showcased St. Stephen's Senior Housing as an example of a high-quality, modern, affordable housing development in their future work. Lindenthal stated that MidPen has brought community members who had been concerned about other planned MidPen developments to St. Stephen's Senior Housing to show them an example of successfully executed housing and allay their [fears](#).