

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
AGENDA OF THE REGULAR BOARD MEETING
September 25, 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 August 28, 2019

Motion to Approve as Submitted
 - B. Temporary Loans from 41st Ave Office Fund

Motion to Authorize Temporary Loans from 41st Ave Office Fund
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. Fiscal Year 2018-2019 Financial Results & Budget Comparison Reports

Receive Report
 - B. Formation of Nonprofit Public Benefit Corporation

Motion to Adopt Resolution No. 2019-15: Resolution Authorizing Formation of a Nonprofit Public Benefit Corporation and Approval of Transfer of Properties to the Corporation in Connection With The HUD Section 22 Streamlined Voluntary Conversion Program.
 - C. Repositioning Low-Income Public Housing Units through Section 22 Streamlined Voluntary Conversion

Receive Report

D. 5 Year Agency Plan

Review Components of Draft 5 Year PHA Plan

E. Written Correspondence

F. Report of Executive Director

G. Reports from Board Members

(Board members may report on meetings attended, if any, or other items of interest.)

H. Closed Session

(The Board will recess to discuss those items listed, if any.)

I. Report on Closed Session

J. Adjournment

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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 AUGUST 28, 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 11:31 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 Brunner asked for a motion to approve the Consent Agenda.

Commissioner Schiffrin moved for approval of the Consent Agenda; 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 3A. Approval of the Minutes of the Regular Meeting held June 26, 2019
- Agenda Item 3B. Approval of the Minutes of the Special Meeting July 29, 2019
- Agenda Item 3C. Approval of Commissioner Attendance at NAHRO Certified Housing Authority Commissioner Training
- Agenda Item 3D. Adopted Resolution No. 2019-10: Section 8 Management Assessment Program (SEMAP) Certifications for FY 2018/2019 for the Housing Authority of the County of Santa Cruz
- Agenda Item 3E. Adopt Resolution No. 2019-11: Resolution Authorizing the Submittal of Renewal Grant Applications, the Execution of Renewal Grant Agreements and Any Amendments Thereto, and Any Other Documents Necessary to Secure U.S. Department of Housing and Urban Development (HUD) Shelter Plus Care Consolidated Program Grant
- Agenda Item 3F. Adopted Resolution No. 2019-12: Resolution Retroactively Authorizing Submission of a Registration of Interest to the U.S. Department of Housing and Urban Development (HUD) under the Veterans Affairs Supportive Housing (VASH) Program
- Agenda Item 3G. Adopted Motion to Adopt Resolution No. 2019-13: Resolution Authorizing Submission of an Application to HUD and Authorizing Execution of an ACC for

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING AUGUST 28, 2019 AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

up to 50 Vouchers Under the HCV Program to Provide Rental Assistance for Families with Non-elderly Persons with Disabilities (Mainstream Voucher Program)
Agenda Item 3H. Adopted Resolution No. 2019-14 Grant Applications, the Execution of Renewal Grant Agreements and Any Amendments Thereto, and Any Other Documents Necessary to Secure U.S. Department of Housing and Urban Development (HUD) Youth Homeless Demonstration Program Grant

AGENDA ITEM NO. 4 Oral Communications
None.

AGENDA ITEM NO. 5 Unfinished Business
None.

AGENDA ITEM NO. 6A Election of Officers

Chairperson Brunner opened the nominations for the position of Chairperson and Vice-Chairperson for the Board of Commissioners as the August meeting is the Annual Meeting. Commissioner Garcia nominated Chairperson Brunner to serve another term. Chairperson Brunner accepted the nomination.

Commissioner Schiffrin moved to close nominations for Chairperson; 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: None

Commissioner Berg nominated Vice-Chairperson Schiffrin to serve another term. Vice-Chairperson Schiffrin accepted the nomination.

The nominations of Chairperson Brunner and Vice-Chairperson Schiffrin to serve another term were passed by the following vote:

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

Finance Director Pomeroy entered the meeting at 11:09 a.m.

AGENDA ITEM NO. 6B Repositioning Low-Income Public Housing Units through Section 22 Streamlined Voluntary Conversion

Secretary Panetta reminded the Board of the discussion that took place at the June 26, 2019 Regular Meeting regarding repositioning Low-Income Public Housing Units through Section 22 Streamlined Voluntary Conversion. Staff has completed an analysis and is now bringing a recommendation to the Board to authorize agency staff to begin this process. Secretary Panetta explained the timeline and next steps. A discussion followed. The Board commended staff for the comprehensive scope of the analysis and the responsiveness to Board questions.

Commissioner Schiffrin made a motion to authorize agency staff to begin the process of repositioning Low-Income Public Housing units through Section 22 Streamlined Voluntary Conversion to Tenant Protection Voucher Units; 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

Finance Director Pomeroy exited the meeting at 12:29 p.m. with thanks from the Board.

AGENDA ITEM NO. 6C Brommer Street Transitional Housing Program

Secretary Panetta informed the Board that in 1991 the Housing Authority acquired a six-unit apartment building on Brommer Street. For decades, the six two-bedroom units have provided a valuable resource for families transitioning from homelessness to permanent housing. Families are referred to the program through the County Human Services Department (HSD), and HSD provides supportive services including job training, counseling and childcare. The program receives funding through the Countywide HUD Continuum of Care Application for approximately \$57,000, with approximately \$23,000 going to HSD for services, and the remainder of funding going to the Housing Authority for operations, maintenance and administration.

Since the initial program development, transitional housing programs have fallen out of favor with HUD and have not been shown to be as effective as other interventions. Instead, permanent supportive housing programs are currently more consistent with HUD priorities and national best practices. Additionally, the existing funding model through the Continuum of Care Application does not fund the program at a level that adequately covers the cost of the program, resulting in insufficient program reserves and increasing program debt. Staff is now before the Board recommending staff not apply for renewal funding through HUD Continuum of Care Program and to authorize agency staff to transition the program to Section 8 Vouchers while maintaining partnership with the HSD. This program model is anticipated to fund the program at a level that will cover costs, build reserves, and pay down the rehabilitation loan on the property, while continuing to serve the same population (homeless families) and maintaining partnership with HSD. A letter of support from HSD for this transition is included in the packet. A discussion followed.

Commissioner Schiffrin made a motion to authorize agency staff to not apply for renewal funding through HUD Continuum of Care Program and authorize agency staff to transition program to Section 8 Voucher Units while maintaining partnership with County Human Services Department and directed staff to reach out to the Homeless Action Partnership to express interest in future opportunities for permanent supportive housing subsidy funds; 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

Commissioner Garcia exited the meeting at 12:58 p.m.

AGENDA ITEM NO. 7 Written Correspondence

Secretary Panetta directed the Board’s attention to a letter sent by Chairperson Brunner on behalf of the Board of Commissioners to Senator Monning and Assembly member Stone in support of SB 329.

AGENDA ITEM NO. 8 Report of Executive Director

Executive Director Panetta updated the Board on the Housing Authority’s current software conversion.

Executive Director Panetta informed the Board that on August 14, 2019 the Department of Homeland Security (DHS) published a final rule titled “Inadmissibility on Public Charge Grounds”. The final rule defines public charge. According to the law, any individual who is applying for a visa or for admission to the United States is inadmissible if he or she is likely at any time to become a public charge. Currently, public charge is not statutorily defined. The final rule would define a “public charge” based on the receipt of financial support from the general public through government funding (i.e. public benefits), including federal rental assistance. The individual would need to receive one or more designated public benefits, including but not limited to federal rental assistance, for more than 12 months within any 36-month period to meet the threshold.

Executive Director Panetta informed the Board that the current Housing Authority budget reflects a blended Section 8 administrative fee proration of 82% for CY2019, and 77% for 2020. Unfortunately, the most recent notification from HUD reflects an estimated admin fee proration of 79% for CY19, which is below what was anticipated.

Executive Director Panetta informed the Board that the Housing Authority is participating in the Census 2020 Complete Count Committee. We are in conversation about potentially coordinating “pop-up” census booths at various locations that may help engage hard to reach populations, particularly at farmworker housing locations.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING AUGUST 28, 2019 AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

Executive Director Panetta informed the Board that at the regular June meeting, the Board approved a few minor changes regarding waiting list information in the Administrative Plan. After these changes had been approved, one Commissioner identified an unintentional omission in the language that was approved. Although the agenda item description was correct, it was left out in the Admin Plan. This has been corrected.

Executive Director Panetta gave the Board a legislative update.

AGENDA ITEM NO. 9 Reports from Board Members
None.

AGENDA ITEM NO. 10 Closed Session
None.

AGENDA ITEM NO.11
None.

AGENDA ITEM NO. 12 Adjournment

The Board of Commissioners meeting was adjourned at 1:22 p.m.

I hereby certify that these minutes were approved by the Housing Authority of the County of Santa Cruz, on the Twenty Fifth Day of September, 2019.

Chairperson of the Authority

ATTEST: _____

Secretary

AGENDA ITEM SUMMARY

MEETING DATE: September 25, 2019

ITEM NUMBER: 3B

FROM: Executive Director

SUBJECT: Temporary Loans from 41st Ave Office Fund

RECOMMENDATION: Authorize Temporary Loans from 41st Ave Office Fund

BACKGROUND SUMMARY:

Many of the grants and contracts that the Housing Authority has been awarded are paid on a cost reimbursement basis. As a result, there are timing differences that can occur between the payment of expenses and the receipt of the grant or contract revenues, resulting in negative cash balances on the grant fund books.

To avoid these negative balances in the annual financial statements and year-end reports, cash loans need to be made from the Housing Authority 41st Avenue Office Fund as follows:

Fund 681	FSS Coordinator Grant	\$ 26,896.34
Fund 683	Shelter Plus Care Grant	\$ 41,100.92
Fund 683	New Roots Grant	\$ 4,072.62
Fund 743	Natural Bridges Property	\$ 5,057.87
Fund 772	41 st Avenue Office Annex	\$ 284,535.63
Fund 773	Mission Street Office	\$ 302,209.56
Fund 781	Merrill Road Administration	\$ 38,200.27
Fund 852	City of Santa Cruz Programs	\$ 6,704.12
Fund 865	County HOME Grant	<u>\$ 10,616.08</u>
Fund 771	Loan from 41st Avenue Office Fund	\$ 719,393.41

These loans will be recorded on June 30, 2019 and reversed on July 1, 2019. Amounts are subject to change pending final audit adjustments.

RECOMMENDATION:

Authorize Temporary Loans from 41st Ave Office Fund.

AGENDA ITEM SUMMARY

MEETING DATE: September 25, 2019

ITEM NUMBER: 6A

FROM: Executive Director

SUBJECT: Fiscal Year 2018-2019 Financial Results & Budget Comparison Reports

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

Attached are the fiscal year-end budget comparison reports for the year ending June 30, 2019. The year-end financials include a variety of accruals but exclude non-budgeted GAAP accounting entries such as depreciation, deferred interest, and pension accruals. Housing Assistance Payments (HAP) are shown as a pass-through with revenue and a corresponding offset to expense.

Excluding pass-through HAP, actual agency-wide revenue was 103.8% of budgeted revenue and actual agency-wide expenses were 99.8% of budgeted expenses. The agency's activities as a whole generated a surplus of \$475,010 which is primarily due to the LIPH program generating a surplus of \$594,295.

Section 8 admin fees nearly covered all of the program's administrative expenses with a deficit of (\$31,513). The Section 8 program absorbed the majority of the software conversion costs as a result of being the agency's largest program.

Federal Grants experienced a deficit of (\$41,685) as a result of the Family Self Sufficiency personnel costs exceeding grant funding by \$44,754. State Grants and Local Programs, which generally operate near a breakeven point, continued that trend with a surplus of \$4,340 and \$6,914, respectively.

The Business Activities group, formally known as Administrative Services, experienced a deficit of (\$36,973) primarily as a result of the 41st Ave construction activities not concluding before the start of the fiscal year as originally budgeted.

The year-end surplus and deficit by program group are as follows:

Section 8 Programs	(\$31,513)	Vouchers, Mod Rehab & Mob Rehab SRO
Federal Housing Programs	573,926	LIPH and USDA
Federal Grants	(41,685)	Shelter + Care, FSS, Transitional Housing
State Grants	4,340	Migrant Center & MCC
Local Programs	6,914	Security Deposits, Landlord Incentives, Eligibilities
Business Activities	(36,973)	Includes 41st Ave Offices & Mission St Warehouse
Agency-Wide Surplus	\$475,010	

The following individual programs have a year-end deficit:

Family Self Sufficiency (FSS	(\$44,754)	(Grant funds insufficient to cover personnel costs)
Section 8 Voucher Program	(\$31,513)	(General administrative expenses higher than budgeted due to software conversion)
City of Santa Cruz	(\$1,484)	(Local programs funds insufficient to cover personnel costs)
41st Ave Office Buildings	(\$17,743)	(Remainder of 41st Ave construction costs)
Mission St Building	(\$12,381)	(Rental income on partially occupied building did not fully offset mortgage & utilities)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - All Funds

Agency-Wide Summary

Fiscal Year-End Results for Year Ending June 30, 2019

	FY 2018-2019	2018-2019	Budget
	Actuals	Annual	Utilized
		Budget	
Revenues:			
HAPS / Program	69,679,850	67,342,596	103%
Administrative Fees	5,172,284	4,986,477	104%
Grants / Contracts	2,672,832	2,364,082	113%
Rental Income	2,960,401	2,806,402	105%
Operating Transfers In	609,381	861,146	71%
Other Income	278,770	247,682	113%
Total Revenues:	81,373,517	78,608,384	104%
Expenses:			
Housing Assistance Pmts	69,679,850	67,342,596	103%
Salaries	3,804,456	3,762,656	101%
Employee Benefits	1,648,712	1,695,126	97%
Capital Purchases	585,708	1,450,775	40%
Maintenance	1,618,755	1,483,887	109%
General Administrative	1,827,456	1,452,835	126%
Tenant Services	850,871	756,820	112%
Operating Transfers Out	705,427	462,980	152%
Debt Service	177,274	177,219	100%
Total Expenses:	80,898,508	78,584,893	103%
Surplus (Deficit):	475,010	23,491	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Section 8

Includes Mod Rehab, Mainstream, and Santa Cruz Voucher Program

Fiscal Year-End Results for Year Ending June 30, 2019

		2018-2019	
	FY 2018-2019	Annual	Budget
	Actuals	Budget	Utilized
Revenues:			
HAPS / Program	69,188,924	66,850,650	103%
Administrative Fees	5,105,857	4,919,029	104%
Grants / Contracts	-	-	0%
Rental Income	-	-	0%
Operating Transfers In	-	-	0%
Other Income	32,426	14,987	216%
Total Revenues:	74,327,206	71,784,666	104%
Expenses:			
Housing Assistance Pmts	69,188,924	66,850,650	103%
Salaries	2,839,012	2,797,277	101%
Employee Benefits	1,248,286	1,275,686	98%
Capital Purchases	-	-	0%
Maintenance	-	20,911	0%
General Administrative	1,082,497	812,558	133%
Tenant Services	-	-	0%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
Total Expenses:	74,358,719	71,757,081	104%
Surplus (Deficit):	(31,513)	27,585	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Federal Housing

Includes LIPH, Casa Pajaro (USDA), and Tierra Alta (USDA)
Fiscal Year-End Results for Year Ending June 30, 2019

	FY 2018-2019	Annual	Budget
	Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	-	-	0%
Grants / Contracts	577,823	570,031	101%
Rental Income	2,261,704	2,208,726	102%
Operating Transfers In	597,984	669,146	89%
Other Income	192,976	198,410	97%
Total Revenues:	3,630,487	3,646,313	100%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	706,217	691,903	102%
Employee Benefits	288,939	298,546	97%
Capital Purchases	338,961	1,180,175	29%
Maintenance	1,161,539	1,083,276	107%
General Administrative	448,273	403,626	111%
Tenant Services	313	250	125%
Operating Transfers Out	101,684	55,950	182%
Debt Service	10,635	10,635	100%
Total Expenses:	3,056,561	3,724,361	82%
Surplus (Deficit):	573,926	(78,048)	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Federal Grants

Includes Capital Fund, FSS, Brommer Transitional Housing, Shelter Plus Care
Fiscal Year-End Results for Year Ending June 30, 2019

		2018-2019	
	FY 2018-2019	Annual	Budget
	Actuals	Budget	Utilized
Revenues:			
HAPS / Program	490,926	491,946	100%
Administrative Fees	-	-	0%
Grants / Contracts	824,969	604,161	137%
Rental Income	22,948	26,788	86%
Operating Transfers In	8,178	12,000	68%
Other Income	1,091	1,845	59%
Total Revenues:	1,348,113	1,136,740	119%
Expenses:			
Housing Assistance Pmts	490,926	491,946	100%
Salaries	131,334	130,272	101%
Employee Benefits	63,078	65,599	96%
Capital Purchases	4,271	12,000	36%
Maintenance	37,489	32,154	117%
General Administrative	35,171	8,445	416%
Tenant Services	27,003	23,334	116%
Operating Transfers Out	600,524	407,030	148%
Debt Service	-	-	0%
Total Expenses:	1,389,798	1,170,781	119%
Surplus (Deficit):	(41,685)	(34,041)	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - State Grants

Includes Buena Vista Migrant Center and Mortgage Credit Certificates
Fiscal Year-End Results for Year Ending June 30, 2019

	2018-2019		
	FY 2018-2019	Annual	Budget
	Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	675	1,250	54%
Grants / Contracts	401,338	380,801	105%
Rental Income	-	-	0%
Operating Transfers In	-	10,000	0%
Other Income	13,401	5,120	262%
Total Revenues:	415,414	397,171	105%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	64,927	70,312	92%
Employee Benefits	25,908	29,285	88%
Capital Purchases	21,552	30,600	70%
Maintenance	241,937	198,409	122%
General Administrative	56,749	62,214	91%
Tenant Services	-	-	0%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
Total Expenses:	411,073	390,820	105%
Surplus (Deficit):	4,340	6,351	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Local Programs

Includes programs funded by the local jurisdictions

Fiscal Year-End Results for Year Ending June 30, 2019

		2018-2019	
	FY 2018-2019	Annual	Budget
	Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	7,695	8,830	87%
Grants / Contracts	868,702	809,089	107%
Rental Income	-	-	0%
Operating Transfers In	3,219	-	0%
Other Income	1,163	355	328%
Total Revenues:	880,779	818,274	108%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	29,052	50,700	57%
Employee Benefits	9,431	17,363	54%
Capital Purchases	-	-	0%
Maintenance	-	132	0%
General Administrative	8,607	10,485	82%
Tenant Services	823,555	733,236	112%
Operating Transfers Out	3,219	-	0%
Debt Service	-	-	0%
Total Expenses:	873,865	811,915	108%
Surplus (Deficit):	6,914	6,359	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
Budget Comparison - Business Activities

**Includes Business - Type Activities for Mission Street Warehouse, 41st Ave
Office, and the Management Funds for Buena Vista and Merrill Road**
Fiscal Year-End Results for Year Ending June 30, 2019

		2018-2019	
	FY 2018-2019	Annual	Budget
	Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	58,057	57,368	101%
Grants / Contracts	-	-	0%
Rental Income	675,749	570,888	118%
Operating Transfers In	-	170,000	0%
Other Income	37,713	26,965	140%
Total Revenues:	771,519	825,220	93%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	33,914	22,192	153%
Employee Benefits	13,069	8,647	151%
Capital Purchases	220,923	228,000	97%
Maintenance	177,789	149,005	119%
General Administrative	196,157	155,508	126%
Tenant Services	-	-	0%
Operating Transfers Out	-	-	0%
Debt Service	166,640	166,584	100%
Total Expenses:	808,492	729,935	111%
Surplus (Deficit):	(36,973)	95,285	

AGENDA ITEM SUMMARY

MEETING DATE: September 25, 2019

ITEM NUMBER: 6B

FROM: Executive Director

SUBJECT: Formation of Nonprofit Public Benefit Corporation

RECOMMENDATION: Adopt Resolution No. 2019-15: Resolution Authorizing Formation of a Nonprofit Public Benefit Corporation and Approval of Transfer of Properties to the Corporation in Connection With The HUD Section 22 Streamlined Voluntary Conversion Program.

BACKGROUND SUMMARY:

At the August Board Meeting, the PHA Board of Commissioners authorized staff to begin the process of repositioning Low-Income Public Housing units through Section 22 Streamlined Voluntary Conversion (SVC) to Tenant Protection Voucher Units. If the SVC application is successful, the Authority must transfer ownership of the properties to a separate entity in order for the Authority to administer Section 8 Tenant Protection Vouchers to residents of the units.

While the primary and immediate goal for the entity being proposed is the ownership and property management of the 234 units of Low Income Public Housing intended for conversion to tenant based assistance, additional staff goals related to entity formation include: maintaining PHA control of the non-profit, limiting liability, remaining eligible for property and income tax exemptions, supporting the activities of the PHA, and in the future possibly creating additional entities or partnerships for the purpose of affordable housing rehabilitation or development. Housing Authority staff have consulted with several attorneys, including the Agency's general counsel as well as attorneys specializing in corporate formation, PHA administration, and affordable housing development and financing. Information from legal counsel has been provided to the Board, for additional context related to the recommendation below.

Based on information from counsel, staff propose that the Board authorize formation of a nonprofit public benefit corporation and approve the transfer of LIPH properties to the nonprofit corporation (contingent on HUD approval of the Section 22 SVC application). Although the formation of a nonprofit can be completed quickly, obtaining federal and/or state income tax exemption based on a specific charitable purpose will take several months. Since staff plan to apply for Section 22 SVC this fall, staff are motivated to work quickly towards entity formation and exemption status to avoid delays at the time of conversion.

Authorization of Formation of Nonprofit Public Benefit Corporation

In order to begin the process of formation of the Nonprofit Public Benefit Corporation, the Board would also be authorizing staff to work with legal counsel to file Articles of Incorporation. This process will require the following decisions to be made.

- Entity Name – Staff propose to work with counsel to identify a name that reflects the jurisdiction and charitable purpose and that is available (not already being utilized). An example of a sample name is: Affordable Housing of Santa Cruz County.
- Purpose – Staff propose to work with counsel to finalize a charitable purpose that is broad enough to cover any and all activities the nonprofit may wish to pursue in the future, and that is likely to receive approval for income tax exemption from the IRS. The following sample purpose was based on another California PHA’s nonprofit affiliate:

The specific charitable and public purposes for which the Corporation is organized are to benefit and support the Authority and its mission by (1) acquiring, providing, developing, financing, rehabilitating, owning and operating decent, safe and sanitary housing affordable to persons and households of low income; (2) lessening the burdens of government by assisting the Authority in the development, ownership, and management of housing targeted to low income households; (3) assisting the Authority in the administration of affordable housing programs and the provision of related services to low income households who are seeking or receiving such affordable housing programs (4) providing benefits, services, or incentives to landlords, owners, or property managers who rent to low-income households; (5) working to eliminate housing discrimination and prejudice; (6) promoting social welfare through community-based activities and services targeted for low income households; (7) carrying out such other activities as the board of directors of this Corporation determines will benefit and support the Authority and its programs; (8) acting through a wholly owned limited liability company owning and operating housing for the benefit of low income persons and households, as described in (1) above; and (9) serving, directly or through a wholly owned limited liability company, as a general partner in limited partnerships which will own and operate housing for the benefit of low income persons and households, as described in (1) above.

- Board Composition – Additional information from legal counsel regarding nonprofit board composition has been provided to the Authority Board. Based on this information, staff propose that the Authority Board appoint a staff board consisting of 5 management level employee positions. If the nonprofit board includes public officials (such as PHA Commissioners) additional requirements relating to Brown Act and Public Records act will apply. However, with a staff board, PHA Commissioners may retain control of the nonprofit by appointing the nonprofit staff board members, and by providing direction to staff, including direction to change the board composition at a future date if desired. Additionally, with a staff board, the activities related to corporate formation, including filing a statement of information with Secretary of State, drafting Bylaws, authorizing filing for tax exemption, obtaining EIN, etc. may be achieved more quickly.

Approval of Transfer of Properties

In addition to authorizing formation of a nonprofit public benefit corporation, staff request approval to transfer 234 units of Low Income Public Housing to the newly formed nonprofit, for the purpose of being the owner and property manager of those units, contingent upon HUD approval of a Section 22 Streamlined Voluntary Conversion to Tenant Protection Vouchers.

RECOMMENDATION: Adopt Resolution No 2015-15: Resolution Authorizing Formation of a

Nonprofit Public Benefit Corporation and Approval of Transfer of Properties to the Corporation in Connection With The HUD Section 22 Streamlined Voluntary Conversion Program.

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

RESOLUTION NO. 2019-15

On the Motion of Commissioner:
Duly seconded by Commissioner:
The Following Resolution is Adopted:

**A RESOLUTION OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA
CRUZ AUTHORIZING FORMATION OF A NONPROFIT PUBLIC BENEFIT
CORPORATION AND TRANSFER OF PROPERTIES TO THE CORPORATION IN
CONNECTION WITH THE HUD SECTION 22 VOLUNTARY CONVERSION
PROGRAM**

At a duly constituted meeting of the Board of Commissioners (the "Board") of the Housing Authority of the County of Santa Cruz (the "Authority") held on September 25, 2019, the following resolutions were adopted:

WHEREAS, the Authority is a duly formed housing authority of the State of California, and is vested with the responsibilities set forth in Division 24, Part 2, Article 4 (Sections 34310-34334) of the California Health and Safety Code, which includes providing low and moderate income housing within its jurisdiction;

WHEREAS, the Authority owns 234 units of public housing in fifteen (15) parcels of real property within its jurisdiction (the "Properties");

WHEREAS, the Authority is seeking to dispose of the Properties through the U.S. Department of Housing and Urban Development's ("HUD") Streamlined Voluntary Conversion Program authorized by Notice PIH 2019-05(HA) (the "Program");

WHEREAS, to facilitate the disposition of the Properties, the Authority desires to form a nonprofit public benefit corporation (the "Corporation") for the purpose of taking ownership of the Properties and operating the Properties;

WHEREAS, the Authority desires that the Corporation's purpose be to support the activities of the Authority including providing affordable housing within its jurisdiction, and in the future to potentially participate in entities such as limited liability corporations and limited partnerships that may be needed to facilitate rehabilitation and operation of the Properties and/or development of additional affordable properties;

WHEREAS, the Authority desires to have control over the Corporation either through having Board members of the Authority, employees of the Authority, or other persons affiliated with the Authority serve as board members of the Corporation; and

WHEREAS, the Authority desires to enter into any and all documents necessary to effectuate the formation of the Corporation including but not limited to Articles of Incorporation (the "Formation Documents");

WHEREAS, upon formation of the Corporation the Authority desires to transfer the Properties to the Corporation upon HUD approval of the disposition of the Properties pursuant to the Program;

WHEREAS, the Authority desires to enter into any and all documents necessary to effectuate the transfer of the Properties including but not limited to grand deeds (the "Transfer Documents"); and

WHEREAS, by staff report (the "Staff Report") accompanying this Resolution the Authority has been provided with additional information upon which the actions set forth in this Resolution are based.

NOW, THEREFORE, THE BOARD OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ DOES RESOLVE AS FOLLOWS:

Section 1: The Board finds and determines that the above recitals are true and correct and have served, together with the Staff Report, as a basis in part, for the actions of the Board set forth below.

Section 2: The Board approves the formation of the Corporation with a board of directors in such form as reflects the interest of the Authority after consultation with Authority special legal counsel and staff.

Section 3: The Board approves the transfer of the Properties to the Corporation upon HUD approval of the disposition of the Properties pursuant to the Program.

Section 4: The Board authorizes the Executive Director of the Authority or, in the absence of the aforementioned, the Deputy Executive Director ("Authorized Officer"), to enter into and execute the Formation Documents and Transfer Documents, all in such form as is recommended by Authority special legal counsel, and approved by the Authorized Officer, such approval to be conclusively evidenced by the execution by the Authorized Officer of such documents, and to take any other actions, necessary to enable the formation of the Corporation and transfer of the Properties to the Corporation, and to do any and all other activities contemplated in this Resolution.

Section 5: This Resolution shall take immediate effect upon adoption.

PASSED AND ADOPTED by the Commissioners of the Housing Authority of the County of Santa Cruz, State of California, this Twenty-Fifth day of September, 2019 by the following vote:

AYES:

NOES:

ABSENT:

Chairperson of the Authority

ATTEST:

Secretary of the Authority

AGENDA ITEM SUMMARY

MEETING DATE: September 25, 2019

ITEM NUMBER: 6C

FROM: Executive Director

SUBJECT: Repositioning Low-Income Public Housing Units through Section 22 Streamlined Voluntary Conversion

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

At the August Board Meeting, the PHA Board of Commissioners authorized staff to begin the process of repositioning Low-Income Public Housing units through Section 22 Streamlined Voluntary Conversion to Tenant Protection Voucher Units. This report provides an update on this effort.

Programmatic Issues

Over the course of the past month, new programmatic issues related to conversion have come to light. As a result, while staff have taken initial steps towards conversion (including preparing a draft update to the PHA plan and meeting with the Resident Advisory Board), resident outreach has been postponed until after the September board meeting. A summary of these issues is provided below.

Over income families – At the time of the August meeting, it appeared that no public housing families would be over income for the Section 8 program (over 80% median income). However, family incomes are fluid and subject to change, and it now appears that three families may be over-income. Families that are over-income will not be eligible to receive a Tenant Protection Voucher. However, staff have consulted with HUD and legal counsel, and confirmed we are not obligated to require over-income tenants to relocate. Therefore, staff propose to allow over-income families to remain in place. The non-profit entity (the owner and landlord) would allow the tenants to continue renting their units at an affordable rent, based on the existing LIPH rent structure, for as long as the family would have remained eligible for LIPH. In this way, while over-income families would not receive the benefit of a portable voucher, they would not be harmed by the conversion. Additionally, HUD has confirmed that this will not reduce the number of vouchers we are eligible to receive through the conversion. Please note that the property tax exemption for the units is contingent on the units being occupied by low-income families. Therefore, the non-profit entity would be required to pay a prorated portion of the applicable property tax (approximately 1.28% if there are 3 over-income families) as long as the families remain housed in the units and remain over-income. This is estimated to cost approximately \$12,500 annually.

Prorated Families – Although HUD guidance implies that tenant portion of rent would be equal in both the LIPH and TPV programs, and indeed both programs are structured around tenants contributing 30% of income, staff have identified one factor that would result in an increase in rent for some LIPH families. Families that include some household members that are not citizens or legal

residents receive prorated assistance, based on the percentage of household members who are citizens or legal residents. There are seventeen (17) families in the LIPH program currently receiving prorated assistance. Based on differences in the subsidy calculations for the LIPH and TPV program, these 17 families could be required to pay significantly more towards their contribution of rent in the TPV program, compared to the amount they are currently paying. However, this is inconsistent with HUDs intent in conversions to TPV assistance. In other types of conversions (RAD) HUD has granted some waivers to allow agencies to “hold harmless” any households who would pay more in rent as a result of conversion. However, no such precedence currently exists with a non-RAD conversion. Staff have addressed this concern with our conversion consultant and with HUD and we are waiting to hear back with further guidance. At this point, if HUD cannot provide a blanket waiver to hold prorated families harmless from rent increases associated with conversion, our alternate approach would be to offer prorated families a choice. In this scenario, families would choose to either accept the TPV (which would increase their portion rent, but which offers mobility) or decline the TPV (and like the “over-income” families, they would be permitted to remain in their units at their current LIPH rent but they would not get the portability of a voucher). Staff are waiting for clarity or confirmation from HUD on this issue before moving forward with resident outreach.

Caretaker Units

In March 2019, when the Board approved the LIPH Admissions and Continued Occupancy Policy (ACOP), questions arose about the decision to utilize police officers as caretakers in six LIPH units. That topic was subsequently postponed, as we were in the process of considering a Section 22 Streamlined Voluntary Conversion, and we knew that any decision on conversion would have an impact on the decision about caretakers. While any resident caretakers would be exempt from income eligibility for the purposes of property tax liability, staff have not received clear guidance from HUD about whether or not we would be eligible to receive vouchers for the units occupied by caretakers (as the guidance states that PHAs may only receive vouchers for any units that have been occupied by a qualified family within the past two years). Therefore, staff are working with legal counsel to consider meeting the caretaker requirement with low income families (who would enter into a contract with the PHA, and would receive a stipend or rent reduction to act as a resident caretaker).

Capital Funds and Reserves

The primary drawback or disadvantage associated with Section 22 SVC is that unexpended capital funds and reserves would be recaptured by HUD. Our agency has been efficient with the use of our capital funds and our units are in good condition. Therefore, we have significant reserves that could be subject to recapture. HUD has issued recent guidance related to the obligation and expenditure of such funds during the period of time between the final removal of the LIPH inventory (the time of conversion) and the termination of our Annual Contributions Contract and closeout of the LIPH program, which typically occurs between two to five years after conversion. Staff interpretation of this guidance is based on a recent PIH Notice, and is not consistent with information we have received from HUD at varying levels. Therefore, we have retained the services of an attorney with a considerable amount of related experience, who has assisted with hundreds of conversions and is well connected at HUD. Once we are clear on our interpretation of the applicable guidance, we will report back to the Board. Our goal is to be able to utilize as much of our capital funds and reserves as possible, and minimize or eliminate any potential recapture.

Status of Application Process

Below is an update on key steps in the application process.

- Updated PHA Agency Plan – The Agency Plan document has been updated. This change is considered a “significant amendment”. Therefore, staff met with the Resident Advisory Board to discuss the proposed change and began the 45-day public review period leading up to the public hearing. The Resident Advisory Board enthusiastically supported the proposal. The public hearing, and a staff recommendation to approve the Agency Plan change will occur at the regular October meeting.
- Resident Outreach and Feedback – In addition to the participation of the Resident Advisory Board, staff will conduct resident outreach and solicit resident feedback. As soon as we receive guidance from HUD regarding the programmatic issues described above, staff would send a letter to all current LIPH residents and would invite residents to attend individual and/or group meetings to learn more about the proposed conversion plan. Meetings, and materials, would be available in English and Spanish. Resident feedback, and a description of actions taken by the PHA as a result of resident feedback would be provided to the Board.

Staff originally anticipated that the 45 day public review period would be the most time consuming aspect of the application. However, delays in information and guidance from HUD have resulted in delays in resident outreach, which is a required component of the conversion plan application. Depending on the timing of resident outreach, if a conversion application cannot be presented to the Board for approval at the October meeting, staff plan to request a special meeting shortly thereafter for consideration of the conversion application, rather than waiting until the December meeting.

RECOMMENDATION: Receive Report

AGENDA ITEM SUMMARY

MEETING DATE: September 25, 2019

ITEM NUMBER: 6D

FROM: Executive Director

SUBJECT: 5 Year Agency Plan

RECOMMENDATION: Review Components of Draft 5 Year PHA Plan

BACKGROUND SUMMARY:

The United States Department of Housing and Urban Development (HUD) requires that housing authorities prepare annual Agency Plans. Additionally, every five years all housing authorities are required to submit a more comprehensive Five Year Agency Plan. The Housing Authority of the County of Santa Cruz will be preparing this Five Year Plan over the coming months, in preparation to finalize the plan in March 2020, and submit the plan to HUD by April 15, 2020. Last year, a Commissioner recommended that our Agency engage in some strategic planning. At the time, it was recommended that this planning be integrated into the development of the upcoming 5 Year Agency Plan.

In addition to all of the standard elements of the Annual Agency Plan, which most current Board members may be familiar with, the Five Year Plan includes further elements, such as our mission statement, criteria for defining significant amendments, and the development of goals and objectives for the coming five year period.

During the September meeting, staff would like to present a draft of the following elements. At this time staff do not recommend any changes to the mission statement or criteria for defining significant amendments.

1. Mission Statement
2. Progress Made on Goals From Previous 5 Year Agency Plan
3. Criteria for Defining Significant Amendment or Substantial Deviation from Agency Plan

Beginning with the October meeting (and extending further if necessary) the Board will engage in a discussion to assist Staff in drafting the Agency Goals and Objectives for the upcoming 5 Year Agency Plan. Ideally, a draft 5 Year Plan will be finalized prior to January 2020 for presentation to our Resident Advisory Board. The remainder of the Agency Plan elements will follow the typical timeline, with a draft presented to the Resident Advisory Board in January 2020, a draft presented to the Board of Commissioners, along with a discussion of all modifications in February 2020, and a public hearing and final vote to approve the draft in March 2020.

RECOMMENDATION: Review Components of Draft 5 Year PHA Plan

5-Year PHA Plan (for All PHAs)	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 02/29/2016
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Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

Applicability. Form HUD-50075-5Y is to be completed once every 5 PHA fiscal years by all PHAs.

A.	PHA Information.																																
A.1	<p>PHA Name: <u>The Housing Authority of the County of Santa Cruz</u> PHA Code: <u>CA072</u></p> <p>PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>07/01/2020</u></p> <p>PHA Plan Submission Type: <input checked="" type="checkbox"/> 5-Year Plan Submission <input type="checkbox"/> Revised 5-Year Plan Submission</p> <p>Availability of Information. In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information on the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official websites. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p><input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below)</p> <table border="1" data-bbox="191 892 1446 1528"> <thead> <tr> <th rowspan="2">Participating PHAs</th> <th rowspan="2">PHA Code</th> <th rowspan="2">Program(s) in the Consortia</th> <th rowspan="2">Program(s) not in the Consortia</th> <th colspan="2">No. of Units in Each Program</th> </tr> <tr> <th>PH</th> <th>HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																							
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Lead PHA:																																	
B.	5-Year Plan. Required for <u>all</u> PHAs completing this form.																																
B.1	<p>Mission. State the PHA's mission for serving the needs of low- income, very low- income, and extremely low- income families in the PHA's jurisdiction for the next five years.</p> <p>The mission of the Housing Authority of the County of Santa Cruz is to promote access to quality affordable housing, utilize housing as a platform for improving quality of life, and support inclusive, healthy and sustainable communities free from discrimination.</p>																																
B.2	<p>Goals and Objectives. Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low- income, very low- income, and extremely low- income families for the next five years.</p>																																

B.3

Progress Report. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.

Goal: Expand the supply of assisted housing

The Housing Authority has increased the number of Section 8 vouchers from 4,755 in 2015 to 4,973 currently. The Housing Authority has increased the number of Project Based units from 53 units in 2015 to 196 units currently with an additional 115 units in process.

Goal: Increase assisted housing choices

The Housing Authority has successfully increased voucher payment standards; this helps expand opportunity for low-income families to secure rental housing. The Housing Authority completed a Fair Market Rent (FMR) study to keep pace with rising market rents, which was approved by HUD. The more accurate local data is the foundation for our Payment Standards. These real-data payment standards directly increase housing choices for households with assistance.

The Housing Authority has established regionally based payment standards to promote mobility of low income households to higher opportunity neighborhoods.

The Housing Authority has conducted landlord outreach, established a staff position as the single point of contact, developed outreach brochures and has an interactive web portal for landlords.

The Housing Authority has worked with local jurisdictions to expand the Landlord Incentive Program. This incentive program offers up to \$2,500 to landlords who claim expenses beyond security deposits for tenant damages, vacancy loss, legal fees and other costs when a Housing Choice Voucher (HCV) tenant vacates a unit.

The Housing Authority also manages several Security Deposit Programs, funded by various jurisdictions within the County. The security deposit programs assist low income families in getting leased-up. Security deposit assistance makes more housing choices available to low-income families.

Goal: Promote self-sufficiency and asset development of families and individuals

The Housing Authority has maintained a Family Self-Sufficiency grant every year that provides supportive services to improve assistance recipient's employability.

Former foster youth can participate in the Family Self Sufficiency program which can extend the FUP-Youth housing assistance up to five years. The Housing Authority has been awarded a Mainstream Non-Elderly Persons with Disability grant to increase independence for families with disabilities. The grant amount was at the maximum level awarded.

The Housing Authority is a Workforce Santa Cruz County partner agency, and works with other agencies that promote self-sufficiency including community colleges, workforce development centers, mainstream benefit government, public libraries and economic justice organizations.

Goal: Improve the quality of assisted housing

The Housing Authority has used capital funds to modernize public housing complex interiors and exteriors. The Housing Authority has provided Project Based Vouchers for properties needing significant rehabilitation.

Goal: Improve agency and program management

The Housing Authority has maintained our rank as a High Performer agency in both the Housing Choice Voucher and Public Housing programs. The Housing Authority has completed a software conversion that will allow us to streamline and modernize agency processes, and incorporates the use of web portals for landlords, participants and applicants, which will increase staff efficiency and improve customer service.

Goal: Ensure equal opportunity and affirmatively further fair housing

The Housing Authority has implemented the waiting list preferences for historically underserved populations including disabled and medically vulnerable homeless persons and disabled persons transitioning from institutions.

The Housing Authority has established regionally based payment standards to promote mobility of low income households to higher opportunity neighborhoods.

The Housing Authority has moved our administrative offices to a mid-county location more easily accessible to applicants and participants countywide.

The Housing Authority maintains fair housing brochures and posters in public areas of Housing Authority offices and properties, and makes this information available to members of the community who are seeking information about their fair housing rights. Referrals to HUD, FHEO, Legal Aid, and other advocacy organizations are made upon request. Also, the Housing Authority assists program participants and members of the public in filing fair housing complaints as needed.

	<p>Violence Against Women Act (VAWA) Goals. Provide a statement of the PHA's goals, activities objectives, policies, or programs that will enable the PHA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault, or stalking.</p>
<p>B.5</p>	<p>Significant Amendment or Modification. Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan.</p> <p><u>Significant Amendment</u> – The Housing Authority defines significant amendment as any change in policy which significantly and substantially alters the Authority's stated mission and the persons the Authority serves. This would include admissions preferences, demolition or disposition activities and conversion programs. Discretionary or administrative amendments consonant with the Authority's stated overall mission and basic objectives will not be considered significant amendments.</p> <p><u>Substantial Deviation / Modification</u> –The Housing Authority defines substantial deviation/modification as any change in policy which significantly and substantially alters the Authority's stated mission and the persons the Authority serves. This would include admissions preferences, demolition or disposition activities and conversion programs. Discretionary or administrative amendments consonant with the Authority's stated overall mission and basic objectives will not be considered substantial deviations or modifications.</p>
<p>B.6</p>	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) provide comments to the 5-Year PHA Plan?</p> <p>Y N <input type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the 5-Year PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>
<p>B.7</p>	<p>Certification by State or Local Officials.</p> <p>Form HUD 50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>



**County of Santa Cruz Board of Supervisors
Agenda Item Submittal**

From: Board of Supervisors: Administration
(831) 454-2200

Subject: At-Large reappointment to the Housing Authority Board of Commissioners

Meeting Date: August 27, 2019

Recommended Action(s):

- 1) Accept nomination of Sonja Brunner for reappointment to the Housing Authority Board of Commissioners as an at-large representative, in accordance with Resolution No. 389-69, for a term to expire September 1, 2023; and
- 2) Return for consideration of final appointment on September 10, 2019.

Executive Summary

Accept nomination to fill an at-large representative for the Housing Authority Board of Commissioners for a term to expire September 1, 2023.

Background

Sonja Brunner has been nominated to serve as the at-large representative. Final appointment will occur on September 10, 2019.

Submitted by:

Ryan Coonerty, Chair, Board of Supervisors

Attachments:

Sonja Brunner Reappointment Letter

cc:

Housing Authority Board of Commissioners
Sonja Brunner

APPOINTED
9/10/19

AGENDA ITEM SUMMARY

MEETING DATE: September 25, 2019

ITEM NUMBER: 8

FROM: Executive Director

SUBJECT: Executive Director's Report – September 25, 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 September 25, 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.

NorCal CAHA Conference: Early this month, I attended a conference of the California Association of Housing Authorities (CAHA). The conference was attended by over 30 Executive Directors of California Housing Authorities. Topics discussed included current HUD priorities, proposed regulatory changes including public charge and mixed family regulations, State and Federal legislative updates, new repositioning options, FMR methodology changes, HR issues, waiting list best practices, legal cases, and more.

FMR Study and Payment Standards: On August 30th, HUD issued new Fair Market Rents (FMRs) for the coming federal fiscal year. As you recall, for Santa Cruz County we are on a schedule of conducting FMR studies every other year, so this year's FMRs were calculated using our previous study's rents as "base rents" and applying a local trend factor to project them forward. FMRs for San Benito County were calculated using the standard HUD methodology, as no FMR studies have been conducted for this County. The resulting FMRs showed very modest increases for Santa Cruz County, and a slight decline in FMRs for San Benito County.

Final FMRs for each County are shown below. Staff will begin working on a new FMR study in early Spring 2020, to be completed in Summer 2020 for inclusion in next year's FMR calculations.

Santa Cruz County FMRs

Bedroom Size	2019	2020	Percent Change
Studio	\$1,567	\$1,641	4.7%
1 BR	\$1,844	\$1,913	3.7%
2 BR	\$2,439	\$2,519	3.3%
3 BR	\$3,241	\$3,342	3.1%
4 BR	\$3,701	\$3,746	1.2%

San Benito County FMRs

Bedroom Size	2019	2020	Percent Change
Studio	\$1,314	\$1,290	-1.8%
1 BR	\$1,323	\$1,298	-1.9%
2 BR	\$1,750	\$1,710	-2.3%
3 BR	\$2,530	\$2,467	-2.5%
4 BR	\$3,074	\$3,002	-2.3%

Legislative Update: California State legislators have wrapped up the 2019 legislative season having passed several important housing bills, including the following. Governor Newsom has indicated he will sign these bills into law.

- SB329 – Section 8 Discrimination / Source of Income: This bill would prohibit landlords from policies that exclude Section 8 voucher holders from consideration.
- AB1482 – Rent increase caps and restrictions on eviction: This bill limits annual rent increases to 5 percent plus the rate of inflation. The bill also requires landlords to provide a “just cause” for evicting tenants and, in some circumstances, pay for tenants to relocate. The bill would not apply to buildings constructed within the past 15 years, and it would exempt single-family homes, unless they’re owned by a corporation, and duplexes where the owner lives in one of the units.

With regards to the Federal budget, Congress has just a matter of days remaining in the FFY to pass a budget. The House T-HUD subcommittee has finalized their 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 additional funding for Tenant Protection Vouchers (although not explicitly for LIPH repositioning). However, the Senate has a lot of work to do to catch up to the House, and is currently in committee, with the hope of completing a draft appropriations bill by the end of the month. Most industry analysts expect that a budget will not be reached by the time the FFY ends in late September, and that a continuing resolution will be necessary to avoid a government shutdown. Continuing resolutions add additional uncertainty, as we continue to take actions based on expected levels of funding, without receiving our actual funding letter until months into the FFY. Additionally, a continuing resolution could result in delays of our application for Section 22 Streamlined Voluntary Conversion.