

NOTICE OF A SPECIAL MEETING

YOU ARE HEREBY NOTIFIED THAT A SPECIAL MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ IS TO BE HELD ON MONDAY, NOVEMBER 18, 2019 AT 10:30 A.M. AT THE HOUSING AUTHORITY OFFICES LOCATED AT 2160 41ST AVENUE, CAPITOLA, CALIFORNIA 95010

REMOTE LOCATIONS: COMMISSIONER BERG, 10090 EMPIRE GRADE ROAD, SANTA CRUZ, CA 95060, COMMISSIONER BRUNNER, DOWNTOWN ASSOCIATION OF SANTA CRUZ 740 FRONT STREET #160, SANTA CRUZ, CA 95060

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ **AGENDA OF THE SPECIAL BOARD MEETING**

1. Roll Call
2. Consideration of Late Additions and Changes to the Agenda
3. 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.
4. Protections for Section 8 Housing Choice Voucher Holders in the City of Santa Cruz

Discuss Protections for Section 8 Housing Choice Voucher Holders Proposed by Santa Cruz City Council; Determine Agency Feedback or Position
5. 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 persons with disabilities may request a copy of the agenda in an alternative format.

Spanish language translation is available on an as needed basis by contacting the Housing Authority at 831-454-9455, ext. 280.

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

AGENDA ITEM SUMMARY

MEETING DATE: November 18, 2019

ITEM NUMBER: 4

FROM: Executive Director

SUBJECT: Protections for Section 8 Housing Choice Voucher Holders in the City of Santa Cruz

RECOMMENDATION: Discuss Protections for Section 8 Housing Choice Voucher Holders Proposed by Santa Cruz City Council; Determine Agency Feedback or Position

BACKGROUND SUMMARY:

Governor Newsom recently signed into law the Tenant Protection Act of 2019 (AB 1482) which places limits on the rent increases that residential property owners may charge tenants, as well as prohibiting evictions without “just cause”. The law goes into effect on January 1, 2020. On October 29, 2019, the Santa Cruz City Council adopted an emergency ordinance establishing a temporary prohibition against evictions without just cause for tenants who have continuously and lawfully occupied residential real property for 12 months. This ordinance applies to properties impacted by AB 1482, retroactive to September 1, 2019, expiring on January 1, 2020 when the new state law comes into effect. It has been reported to Santa Cruz City Staff and City Council that many landlords have attempted to evict tenants without cause, before they are prohibited from doing so. The purpose of this temporary prohibition is to prevent landlords from evicting tenants without cause during the period before the state law is enacted. Many jurisdictions throughout the State have also passed similar emergency temporary ordinances, including local jurisdictions such as the County of Santa Cruz, and the Cities of Capitola and Watsonville.

When the Santa Cruz City Council considered this emergency temporary ordinance, they also considered two alternate versions of the ordinance, both of which were non-emergency, non-temporary ordinances, and one of which included the following additional protections for Section 8 voucher holders that go beyond the protections of 1482, requiring Section 8 landlords to:

- Pay relocation assistance of four months (or a four-month rent waiver) in the event of a no-fault eviction of a Section 8 tenant, as opposed to relocation assistance of one month rent as required for non-Section 8 tenants through AB 1482.
- Provide relocation assistance within 15 days of serving notice.
- Provide right of first refusal to re-occupy a unit where a no fault just cause eviction has been issued for a unit that is taken offline for 30 days or more for the purposes of demolishing and rebuilding or substantial remodel.

At the City Council meeting, some Council members expressed concern about additional protection for Section 8 voucher holders, as it could potentially create a disincentive for landlords. The Council ultimately postponed taking action on such protections, and in addition to the emergency temporary ordinance that was passed, the Council directed City staff to reach out to stakeholders such as the Housing Authority for more information and feedback, and to bring back additional language regarding protection for Section 8 tenants, including the protections listed above. After the Council meeting, Housing Authority staff initially provided the following feedback to City staff, emphasizing that the HA Board of Commissioners had not met since the protections were proposed.

There are pros and cons to providing additional protections to Section 8 tenants. While the additional Section 8 protections that were proposed would help a small number of currently housed Section 8 tenants that face a current or potential no fault eviction, there is a concern that the protections would be a disincentive for landlords, and would be likely to have the effect of discouraging landlords from renting to Section 8 tenants. The number of Section 8 families that could be harmed by discouraging landlords from renting to Section 8 tenants is greater than the number of Section 8 tenants that face no-fault termination of their rental agreement. At any given point in time, there are hundreds of families searching for a unit with a landlord who will accept a Section 8 voucher. The Housing Authority works very hard to provide incentives to encourage landlords to participate in the program, and we believe that the combination of increasing payment standards and offering incentives like loss mitigation through the Landlord Incentive Program is starting to make a difference. In fact, we've added 64 new landlords to the Section 8 program in the past two months alone. HA staff are concerned that although adding additional protections for Section 8 voucher holders would be well intentioned, it is likely to have unintended consequences and could potentially do more harm than good by undermining our efforts to encourage landlord participation.

HA staff believe that Section 8 Voucher holders are exempt from AB 1482 under the following exemption criteria noted in AB 1482 provision 2(C)4(e)9, which exempts:

Housing restricted by deed, regulatory restriction contained in an agreement with a government agency, or other recorded document as affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code, or subject to an agreement that provides housing subsidies for affordable housing for persons and families of very low, low, or moderate income, as defined in Section 50093 of the Health and Safety Code or comparable federal statutes.

The staff interpretation has been confirmed by our legal counsel, but there are some advocates throughout the State who are challenging this interpretation, and it is possible that a determination of the law's applicability to the Section 8 program will be decided in the courts.

While the rent paid by Section 8 tenants is already limited by several regulatory provisions of the Section 8 program, it appears that Section 8 tenants currently lack the just cause eviction protections provided to other renters through AB 1482. Staff are concerned that providing *additional* protections to Section 8 voucher holders, such as the items listed above, could create a disincentive for landlords and result in unintended consequences. However, extending *the same* just cause eviction protections provided in AB 1482 to voucher holders (no more, and no less than provided to other renters) is a measure that local jurisdictions may consider to increase protections for Section 8 voucher holders without the risk of creating a disincentive for Section 8 landlords.

The Santa Cruz City Council will resume their discussion regarding additional protections for Section 8 voucher holders at their November 26, 2019 meeting. The City has requested additional information and feedback regarding such protections.

RECOMMENDATION: Discussion of Protections for Section 8 Housing Choice Voucher Holders Proposed by Santa Cruz City Council; Determination Regarding Agency Feedback or Position

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ