

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
AGENDA OF THE REGULAR BOARD MEETING
April 22, 2020
11:30 a.m.
TO BE HELD AT:
HOUSING AUTHORITY OFFICES
2160 41st Avenue, Capitola, CA 95010

- Due to the shelter-in-place directive, in lieu of attending the meeting in person, members of the public are invited to submit their comments via email to housing@hacosantacruz.org prior to the meeting or call into the conference line during the board meeting at **(515) 604-9808 enter** the access code: **329215**.

1. Roll Call
2. Consideration of Late Additions and Changes to the Agenda
3. Consent Agenda
 - A. Minutes of the Regular Meeting held February 26, 2020

Motion to Approve as Submitted
 - B. Minutes of the Regular Meeting held March 25, 2020

Motion to Approve as Submitted
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. COVID-19 Financial Impact

Receive Staff Report
 - B. COVID-19 Programmatic and Regulatory Impact

Receive Staff Report
 - C. County of Santa Cruz Housing Services Contract

Approve Housing Services Work Plan for 2020-2021

7. Written Correspondence
8. Report of Executive Director
9. Reports from Board Members
(Board members may report on meetings attended, if any, or other items of interest.)
10. Closed Session

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

AGENDA ITEM NO. 1 Roll Call

Vice Chairperson Schiffrin called the meeting to order at 11:33 a.m. Members present Commissioners Berg, Eligio, Melendrez, Schiffrin and Schmale (Commissioner Melendrez entered the meeting at 11:34 a.m.)

Members Absent

Commissioners Brunner and Garcia (excused)

Staff Present

Jennifer Panetta, Courtney Byrd and Kate Calderon of the Housing Authority

AGENDA ITEM NO. 2 Consideration of Late Additions or Changes to the Agenda

Secretary Panetta informed the Board that staff would like to add an addition to the Agenda. This would be a discussion item added as **AGENDA ITEM 6C** under New Business regarding the Role of Housing Choice Vouchers in Inclusionary Housing Requirement in the City of Santa Cruz. Vice Chairperson Schiffrin called for a motion to add item.

Commissioner Schmale moved to add Agenda Item 6C; Commissioner Eligio seconded the motion and it was passed by the following vote:

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

AGENDA ITEM NO. 3 Consent Agenda

Vice Chairperson Schiffrin asked for a motion to approve the Consent Agenda.

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

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

Agenda Item 3A. Approved the Minutes of the Regular Meeting held January 22, 2020

AGENDA ITEM NO. 4 Oral Communications

None.

Secretary Panetta introduced Kate Calderon Administrative Services Supervisor. Secretary Panetta

explained to the Board the Ms. Calderon is cross training and will be shadowing Courtney Byrd during the meeting. The Board welcomed Ms. Calderon.

AGENDA ITEM NO. 5 Unfinished Business
None.

AGENDA ITEM NO. 6A 5 Year and Annual PHA Plan

Secretary Panetta brought before the Board for review the Draft Annual Agency Plan for the Housing Authority of the County of Santa Cruz. She noted that the Draft Annual Agency Plan is available for public review on the Housing Authority website and in our lobby. The public hearing, for the discussion of said Agency Plan, will take place at the March 25, 2020 Regular Meeting. This meeting date is being published in a Public Notice in the Santa Cruz Sentinel, Registered Pajaronian and the Hollister Freelance. Secretary Panetta and the Board went through the changes to the Agency Plan that was included in this month's Board Packet. A discussion followed. The Board thanked staff for their work on the 5 Year and Annual PHA Plan and appreciates staff's response to the Board's direction at the prior Board meetings.

AGENDA ITEM NO. 6B Zoning and Pre-Development of 415 Natural Bridges Drive

Secretary Panetta informed the Board that she was very excited to report back to the Board on the progress made at the 415 Natural Bridges Drive project. Secretary Panetta reminded the Board that Housing Authority staff and the Board of Commissioners have established a goal of developing affordable housing on the vacant lot owned by the Housing Authority at 415 Natural Bridges Drive. This report provides an update on the progress towards this goal and a staff recommendation regarding next steps.

Based on initial discussions with the Housing Authority Board and Santa Cruz City staff, the original plans involved submission of an application for general plan amendment for the purposes of rezoning 415 Natural Bridges Drive from RL Multi Res (RL) to General Industrial (IG) to increase the number of units that could be built at the site. In subsequent conversations with City staff, it was recommended that the most efficient way to proceed would be to submit a pre-development and rezoning application together. Housing Authority staff is working with Thatcher and Thompson (T&T) and William Kempf, Architect in developing the site.

Staff provided the Board with a general overview of the proposed development. Based on initial concept drawings, the site may support 20 studio apartments. Staff is recommending that the Board approves Housing Authority Staff to Work with City Staff and Architects on Preparation and Submittal of Zoning and Pre-Development Work to Develop 415 Natural Bridges Site to Achieve Pre-Development Plan that is 1) 100% Affordable to Low-Income Families, 2) Maximizes the Number of Units, and 3) Utilizes as many Energy Efficient and Environmentally Friendly (Green) Designs and Conservation Measures as Feasible, Including but not limited to Solar Panels, Energy Star Appliances, Low Flow Plumbing Fixtures, and other Green Building Materials. A discussion followed. The Board inquired as to the need for studio apartments, compared to the need for units of other sizes. Staff provided information indicating that largest need has been for smaller units for 1 and 2 person households. Additionally, studio apartments

would provide more diversity in the Housing Authority’s rental portfolio, which does not include any studios, and which is primarily larger units for larger households. The board discussed the need for units that “feel” livable and expressed a desire for features like large windows and outside storage to enhance the livability of the units. The board also inquired about the possibility of utilizing all of the parking spaces we have access to in Toadal Fitness parking lot, to either build more units, or to make each unit larger. Finally, one Commissioner expressed concerns about utilizing a Planned Development (PD) to achieve a higher level of density than would otherwise be allowed. Staff emphasized that the PD approach had been specifically recommended and encouraged by both City staff and our architects.

The Board generally agreed with the concept and the focus on studio apartments, and directed staff to come back to the Board with additional information and clarification on zoning ordinances and density bonus options to see if the Housing Authority can accomplish the desired density without accomplishing it through a Planned Development (PD) project. The Board also gave staff direction to return with information on possibly increasing the unit size and/or livability without reduction in the number of units.

AGENDA ITEM NO. 6C Role of Housing Choice Vouchers in Inclusionary Housing Requirements in City of Santa Cruz

Secretary Panetta informed the Board that at the regular January meeting of the Housing Authority Board of Commissioners, the Board directed Staff to work with City of Santa Cruz Staff, to provide information and feedback on changes the City is considering with regards to allowing the use of Section 8 Housing Choice Vouchers to satisfy some inclusionary housing requirements. After the February agenda was already published, Housing Authority staff has learned that City staff plan to present draft inclusionary housing changes to the Planning Commission Housing Subcommittee and the Planning Commission prior to the next Housing Authority Board meeting. As such, this agenda item was added to this regular meeting.

City staff have shared that they are considering changes that would allow an owner / developer to meet some or all of the inclusionary housing requirement with Section 8 voucher families. HA staff have met with City staff to discuss how the use of vouchers could help expand the percentage of units affordable to low-income families without suppressing development, making it easier for developers to meet inclusionary requirements. Based on early conversations, it appears the City would monitor and enforce the requirement, while the Housing Authority’s would play an active role in supporting that monitoring by providing data to the City, including reports identifying the number of voucher families residing in specific complexes. A discussion followed. Secretary Panetta will continue to follow up on the City regarding the monitoring. Housing Authority staff will continue to keep the Board informed of actions taken by the City on this matter.

AGENDA ITEM NO. 7 Written Correspondence
None.

AGENDA ITEM NO. 8 Report of Executive Director

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING FEBRUARY 26, 2020 AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

Executive Director Panetta updated the Board on the Housing Authority's Section 22 Streamline Voluntary Conversion.

Executive Director Panetta informed the Board that the Housing Authority has selected Applied Survey Research (ASR) to conduct a new FMR study. The study is due to HUD by July 1, 2020 in order to be number of valid recent mover surveys. Surveying is expected to begin soon.

Executive Director Panetta informed the Board that the Housing Authority has retained the services of a consultant (LeanFirm) to conduct a process evaluation of the major processes that consist of the majority of the agency's workload, including the initial eligibility process, contract execution, interim and annual re-examinations.

Executive Director Panetta informed the Board that the Housing Authority has met with Human Services Department (HSD) to begin to work through the process of implementing the new waiting list preference for homeless families, in the hopes that an MOU can be executed prior to the effective date of the upcoming Administrative Plan on April 1, 2020.

Executive Director Panetta updated that Board on Tenant Protection Act (AB1482) and Section 8 Vouchers. Secretary Panetta informed the Board that she will continue to provide information confirming that Section 8 families appear to be exempt from AB1482 and supporting the approach taken by the City of Santa Cruz to extend the eviction protections of 1482 to Section 8 voucher families.

Executive Director Panetta updated the Board on proposed rule regarding Public Charge.

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 Report on Closed Session
None.

AGENDA ITEM NO. 12 Adjournment

The Board of Commissioners meeting was adjourned at 1:06 p.m. by unanimous vote.

I hereby certify that these minutes were approved by the Housing Authority of the County of Santa Cruz, on the Twenty Second Day of April, 2020.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING FEBRUARY 26, 2020 AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

Chairperson of the Authority

ATTEST: _____

Secretary

AGENDA ITEM NO. 1

Roll Call

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

Members Absent

None.

Staff Present

Jennifer Panetta, Courtney Byrd and Aaron Pomeroy of the Housing Authority

AGENDA ITEM NO. 2

Consideration of Late Additions or Changes to the Agenda

None.

AGENDA ITEM NO. 3

Oral Communications

Due to the shelter-in-place directive, in lieu of attending the meeting in person, members of the public were invited to submit their comments via email to housing@hacosantacruz.org prior to the meeting or call into the conference line during the board meeting at (515) 604-9808 enter the access code: 329215. No emails with comments were submitted and no public members joined the meeting.

Commissioner Eligio thanked Mark Failor, Deputy Executive Director for reaching out to our Low Income Public Housing tenants including herself, to see if anything was needed during the shelter-in-place directive.

AGENDA ITEM NO. 4

Unfinished Business

None.

AGENDA ITEM NO. 5A

Public Hearing, Review and Consideration of Draft Agency Plan for the Housing Authority of the County of Santa Cruz

Chairperson Brunner opened the meeting up to Public Comment.

The Public Hearing began at 11:38 a.m.

Public Hearing Comments:

No Public Comment.

Due to the shelter-in-place directive, in lieu of attending the meeting in person, members of the public were invited to submit their comments via email to housing@hacosantacruz.org prior to the meeting or call into the conference line during the board meeting at (515) 604-9808 enter the access code: 329215. No emails with comments were submitted and no public members joined the meeting.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING MARCH 25, 2020 AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

End of Public Comment.

The Public Hearing closed at 11:40 a.m.

Annual PHA Plan for the Housing Authority of the County of Santa Cruz

Secretary Panetta reminded the Board that during the January and February meetings of the Board of Commissioners the draft changes to the plans were reviewed and discussed. Secretary Panetta asked the Board of Commissioners if they had any further questions regarding the Housing Authority Agency Plan. A discussion followed. The Commissioners thanked staff for incorporating Board feedback into the Agency Plan.

Commissioner Garcia made a motion to Adopt Resolution No. 2020-01 Authorizing Execution of PHA Certification of Compliance with PHA Plans and Related Regulations Board Resolution to Accompany the Annual PHA Plan for the Housing Authority of the County of Santa Cruz; Commissioner Schiffrin seconded the motion and it was passed by the following vote:

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

AGENDA ITEM NO. 5B Audited Financial Statements for Fiscal Year Ending June 30, 2019

Secretary Panetta introduced Finance Director Pomeroy who informed the Board that the audits for the Housing Authority of the County of Santa Cruz and the Brommer Street Transitional Housing that were enclosed in this month's Board packet were issued with an unqualified (clean) opinion for each report. There were no audit findings. A discussion followed. Secretary Panetta and the Board of Commissioners congratulated Finance Director Pomeroy and Finance Staff for the excellent audit findings.

Commissioner Schiffrin made motion to Approve the Audited Financial Statements for Fiscal Year Ending June 30, 2019 for the Housing Authority of the County of Santa Cruz and Brommer Street Transitional Housing Enterprise Fund.; Commissioner Melendrez, seconded the motion and it was passed by the following vote:

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

Finance Director Pomeroy exited the meeting at 11:45 a.m. with thanks from the Board.

AGENDA ITEM NO. 5C

Update on Housing Authority Response to COVID-19

The County of Santa Cruz Health Services Agency has issued a Shelter-In-Place directive to residents of Santa Cruz County in response to the COVID-19 pandemic. Essential businesses and government services are exempt from this directive. Therefore, the Housing Authority must continue essential services while taking steps to protect the safety of staff and residents and remaining in compliance with other public health guidelines including social distancing.

In order to accomplish this, HA staff request temporary emergency authority to allow us to effectively respond to rapidly evolving information, operational considerations, and orders from local, state and federal authorities regarding the COVID-19 pandemic. Some actions have already been taken on an emergency basis, as encouraged or required by public health officials. A discussion followed. The Commissioners asked for a report on the financial impacts of the COVID-19 pandemic on the next agenda.

Commissioner Schiffrin made motion to Grant Temporary Emergency Authority to Executive Director and/or Deputy Executive Director to Modify or Make Exceptions to Personnel Policies and Make Any Other Policy Changes or Exceptions Necessary to Continue Essential Services While Ensuring Staff Safety and Following Public Health Guidelines. This Authority Will Remain in Effect Until May 31st, 2020 Unless Modified by the Board of Commissioners Before That Date; Commissioner Garcia seconded the motion and it was passed by the following vote:

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

AGENDA ITEM NO. 6

Written Correspondence

None.

AGENDA ITEM NO. 7

Reports from Board Members

Commissioner Garcia informed the Board that the City Council of Watsonville passed a temporary moratorium on evictions due to COVID-19.

AGENDA ITEM NO. 8

Closed Session

None.

AGENDA ITEM NO.9

Report on Closed Session

None.

AGENDA ITEM NO. 10

Adjournment

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING MARCH 25, 2020 AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

The Board of Commissioners meeting was adjourned by a motion from Commissioner Schiffrin at 12:05 p.m.; seconded by Commissioner Eligio. The vote was unanimous.

I hereby certify that these minutes were approved by the Housing Authority of the County of Santa Cruz, on the Twenty Second of April, 2020.

Chairperson of the Authority

ATTEST: _____

Secretary

AGENDA ITEM SUMMARY

MEETING DATE: April 22, 2020

ITEM NUMBER: 6A

FROM: Executive Director

SUBJECT: COVID-19 Financial Impact

RECOMMENDATION: Receive Staff Report

BACKGROUND SUMMARY:

The Housing Authority has incurred costs associated with our response to the COVID-19 crisis. In order to comply with the public health directives and ensure the safety of staff and program families while continuing to provide essential services, the Agency has needed to make rapid changes in how we do business, including adopting a model that allows many staff to work remotely. So far, the agency has incurred approximately \$32,735 in COVID-19 related expenses for the acquisition of 50 laptops, 45 cellphones, personal protective equipment (PPE) and related supplies. In addition to these hard costs, a large number of families on Agency programs have experienced decreases in income, which require staff to adjust the subsidy level so the families can afford their rent. The transition to remote work and high volume of time sensitive subsidy adjustments are creating a large backlog of routine work such as annual re-examinations. Therefore, additional costs are expected over the coming months as Agency staff and third party vendors work to address this backlog.

As the average income of assisted families decreases, average rental assistance (per unit costs, or PUC) increase, driving up the cost of administering the programs. It is unknown at this time to what extent PUC will increase in the coming months as a direct result of the pandemic. If the PUC rises too sharply, the agency's HAP spending could potentially outpace the agency's HAP funding which could lead to a funding shortfall by the end of the calendar year. HAP spending is also a function of the lease up rate which could potentially be impacted.

Finally, the County's shelter in place directive has impacted the ability of the commercial tenant at the Mission Street warehouse to pay the entire portion of their monthly rent. Staff have assisted the business owners of the gym in applying for a government funded loan. The extent to which the commercial tenant will be able to pay future months' rent will be a function of when gyms are allowed to reopen and if the business owner's loan application is approved.

Fortunately, some financial relief is on the horizon. HUD has received \$12.4 billion under the Coronavirus Aid, Relief, and Economic Security (CARES) Act that was signed into law on March 27, 2020. Almost \$2 billion of the supplemental budget authority is allocated to the Section 8 and Low Income Public Housing (LIPH) programs to respond to the national impacts of the COVID-19 pandemic in the following areas:

- \$400 million for Housing Assistance Payments
- \$850 million for Section 8 Administrative Fees
- \$685 million for LIPH Operating Fund

The details of HUD's additional funding will be provided in upcoming supplemental funding notices, the first of which is expected to be released by May 1st. Early indicators suggest that PHAs will be receiving additional administrative fees that are roughly equivalent to two months' worth of administrative fee funding (approximately \$800,000). The current Section 8 administrative fees have been adequate to cover administrative expenses in the current fiscal year through February, but these additional administrative fees will provide relief as the agency continues to address the impact of the shelter in place directive for months to come. Similarly, the details of the additional HAP funding will also be forthcoming. It is unknown whether the additional HAP funding will be enough to cover the COVID-19 related increases to HAP expenses. Staff will monitor the increases in average HAP and overall monthly HAP and continue to update the Board.

RECOMMENDATION: Receive Staff Report

AGENDA ITEM SUMMARY

MEETING DATE: April 22, 2020

ITEM NUMBER: 6B

FROM: Executive Director

SUBJECT: COVID-19 Programmatic and Regulatory Impact

RECOMMENDATION: Receive Staff Report

BACKGROUND SUMMARY:

The County of Santa Cruz Health Services Agency has issued a Shelter-In-Place directive to residents of Santa Cruz County in response to the COVID-19 pandemic. Essential businesses and government services are exempt from this directive. Therefore, the Housing Authority must continue essential services while taking steps to protect the safety of staff and residents and remaining in compliance with other public health guidelines including social distancing.

The Housing Authority has consistently followed all public health guidelines, as they have continued to evolve in recent weeks. In doing so, we have taken many steps to protect the health and safety of our staff and the families we assist, including:

- The office lobby has been closed to the public.
- Routine processes (such as annual re-examinations and inspections) have been postponed.
- All essential appointments or meetings are conducted remotely.
- Essential inspections of occupied units are conducted remotely.
- The majority of staff have transitioned to working remotely from their homes.
- Staff in the office wear masks / face coverings and engage in all social distancing and cleaning / sanitizing practices as outlined by public health professionals.

HA staff are focusing on essential agency functions, that are required for the health and safety (and housing) of our program participants, including issuance of vouchers to any homeless targeted programs, new housing assistance payment contracts to allow searching voucher holders to “lease up”, processing requests to increase subsidy for families with a decrease in income, ensuring landlords receive subsidy payments without delay or interruption, and addressing any emergency work orders for units we own and manage. All routine processes are currently on hold.

Housing Authority staff have been working with statewide and national PHA advocacy groups to request urgently needed regulatory and programmatic relief. This advocacy has been successful, with Congress providing HUD the authority to grant both regulatory and statutory waivers. Rather than granting a large number of individual waivers, HUD has issued a “blanket waiver” allowing any and all PHAs to take advantage of any and all of a long list of waivers that have been approved for the duration of the COVID-19 crisis. This blanket waiver includes nearly all

of the waiver requests that our Agency has been advocating for, along with our statewide partners at CAHA and national partners at NAHRO. HUD's blanket waiver contains many exceptions that will provide regulatory relief to our Agency, including the following:

- Changes to "significant amendment" process of changes to Agency Plan
- Permitting delays to annual re-examinations
- Allowing PHAs to accept tenant self-certification of decreases in income
- Changes to initial inspection requirements
- Permitting delays to annual inspections
- Eliminating the requirement for in-person "briefings" to issue new vouchers
- Eliminating the Section Eight Management Assessment Program (SEMAP) audit
- Allowing extensions on various HUD reporting requirements

The comprehensive list of waivers provided to all PHAs will allow our Agency to continue to focus on rapidly providing additional assistance to families with decreases in income, and assisting searching voucher holders in leasing up. In addition to the waivers already granted by HUD, staff plan to request additional waivers, including waivers allowing extensions and exceptions to FSS contracts and completion requirements, as well as flexibility to issue any unused VASH vouchers to homeless veterans referred from sources other than the VA, and to issue any unused FUP vouchers to homeless families with minor children. As additional needs arise, more waivers may be requested. Staff will continue to keep the Board updated on waivers provided by HUD.

Operationally, it has been challenging to transition staff to remote work, and to different or additional duties. Fortunately, all major systems and all essential data is already cloud based, as a result of the software conversion we completed in July 2019. Therefore, although it has taken weeks to procure a sufficient number of laptops and cell phones for staff, and although the logistics of radically changing the way we do business in a short period of time has reduced our overall efficiency and productivity, we have been operational throughout the crisis, and we are steadily making gains on processing the subsidy adjustments for families with decreased income. Additionally, due to the large number of families who had already been issued vouchers before the crisis, and to the recent lease-up of Sunrise Apartments in Hollister, our overall lease up has been increasing, and we are on track to meet our leasing goals for the fiscal year. Through it all, Housing Authority staff have embraced creative solutions, remained positive and professional, and continually demonstrated their commitment to public service.

In the weeks and months to come, as we slowly emerge from the shelter-in-place directive, and slowly return to something more like "business as usual", we will have a large backlog of late annual re-examinations and annual inspections to work through, resulting in heavy workloads that are expected to last at least through this calendar year.

RECOMMENDATION: Receive Staff Report

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

AGENDA ITEM SUMMARY

MEETING DATE: April 22, 2020

ITEM NUMBER: 6C

FROM: Executive Director

SUBJECT: County of Santa Cruz Housing Services Contract

RECOMMENDATION: Approve Housing Services Work Plan for 2020-2021

BACKGROUND SUMMARY:

In 2011, the Housing Authority of the County of Santa Cruz entered into a multi-year contract with the County of Santa Cruz to provide information and services related to housing and affordable housing programs and activities. The original Housing Services contract expired on June 30, 2018, and has been extended for an additional four year period ending June 30, 2022.

Each year, the County develops an annual work plan, comprising of activities that will be funded through this grant. The annual work plan is first approved by the Housing Authority Board of Commissioners, prior to consideration by the Board of Supervisors. Attached for your review is a proposed work plan for the coming 2020-2021 fiscal year, along with a memo from the County Planning Department describing the activities in the work plan.

RECOMMENDATION: Approve Housing Services Work Plan for 2020-2021

Recommended Action(s):

1. Approve the Fiscal Year 2020-21 Annual Work Plan.

Executive Summary

In June 2011, prior to legislation eliminating all redevelopment agencies in the State of California, the Board of Supervisors entered into a multi-year contract with the Housing Authority of the County of Santa Cruz (Housing Authority) to provide funding for a range of affordable housing activities (the "Housing Services Contract"). In June of 2018 the Board of Supervisors approved a four-year contract extension which will expire June 30, 2022.

Background

The Housing Services Contract has provided funds for a wide range of affordable housing activities including studies supporting the County's Housing Program, funding for affordable housing properties, activities supporting County provision of housing for people who are homeless, and for support of non-profit agencies working on housing solutions for vulnerable populations. Studies have included the ADU Program Analysis, the Farmworker Housing Action Plan, and the Housing Program Update. The Contract was also used to fund the Senior and Disabled Property Tax Postponement Program during the period that the State suspended its program and to fund County participation in the Monterey Bay Housing Trust. The largest single use of funds (\$1.67 Million) has been preservation activities through the Affordable Housing Preservation Program (AHPP) to preserve the affordability of existing at-risk affordable units. In 2018 a Revolving Loan Fund was established that will provide an on-going sustainable source of funds for preservation of affordable units that would otherwise be lost.

Analysis

Implementation of the Housing Services Contract has occurred through an Annual Work Plan that is agreed to by the County and the Housing Authority. The proposed Fiscal Year 2020-21 Annual Work Plan continues efforts that have been fulfilled through the Housing Services contract and those activities are described below. As has been the case in the past, some of the allocated funds represent an allowance for activities that may or may not be drawn.

- a) All-In Landlord Partnership Incentive Program \$53,540

The *All-In* Landlord Partnership is a program of the Homeless Action Partnership (HAP) initiated by the Housing Authority and the County to address a key strategy identified in the *All-In* homeless strategic plan that would improve access to existing housing units by increasing the number of landlords willing to accept rental subsidy. Funds are set aside by each jurisdiction on a population-based share of costs similar to the HAP funding and are tapped only in the event that a landlord covered by the program experiences losses. About \$15,000 has been expended on the program this year.

b) Measure J Homebuyer Education \$6,000

The County partners with the Watsonville Law Center to provide homebuyer education for first time homebuyers participating in County programs including loan programs funded by the CalHome and HOME Programs and buyers of deed restricted affordable units through the Measure J Program. The Housing Services Contract provides funding for Homebuyer Education for Measure J buyers.

c) HOME TBRA Admin Fees \$ 15,000

The County has State HOME funding to operate a Tenant Based Rental Assistance (TBRA) Program that provides funding for short term rental assistance and rental deposits through Families in Transition and the Housing Authority of the County of Santa Cruz. The programs come with a significant administrative burden to the program operators that are not reimbursed by the Program. The County provides a small amount of administrative funding to address this.

d) Senior Network Services \$ 7,000

Senior Network Services has been providing vital housing search support for low income seniors in Santa Cruz County since 1985. The County funding provides match required to draw down Title 3B under the federal Older Americans Act.

e) Homeownership Counseling Services \$20,000

The sudden impact on the economy resulting from the COVID-19 response is expected to place a significant strain on homeowners. The Housing Program is working with potential providers of homeownership counseling services who could help stabilize their housing situations.

f) Homebuyer Loan Database \$ 20,000

The County has a loan portfolio of about fifty-seven million dollars. These are loans that were used to support multifamily housing development and homeowner loans to low- and moderate-income households. The funds came from the former redevelopment agency and from State and Federal grants. A new homebuyer loan database will allow the Housing section to combine loans from different databases into one master database and will include the capability to streamline processes that can provide loan payoff calculations and escrow documents more readily.

g) Affordable Rental Housing Loan \$400,000

This funding is made available as local match funds for a potential affordable rental housing project. Local match funds are required to leverage state and federal dollars

for housing projects. Funding for a specific site is not proposed at this time, but site searches are actively underway.

h) Housing Program Support \$ 10,000

This funding is available for emerging programs that will increase housing access and/or affordability. This year the fund was used to support the Housing Authority's rent survey and to initiate support for owners of affordable units who are struggling due to an economic downturn.

i) Housing Implementation Fee \$150,000

The Housing Section of the Planning Department is administered by a staff of five who oversee single family programs, facilitation of multi-family development, pursue grant opportunities to address housing needs and participate in development of County Housing policy.

j) Housing Authority Administration Fee \$15,000

The Housing Authority charges the contract its actual costs for administration of activities under the Housing Services Contract. An allowance of up to \$15,000 is included for the FY 2020-21 Work Plan.

COUNTY OF SANTA CRUZ
 Housing Authority of the County of Santa Cruz
 Housing Services Contract
 Contract No. CT13907
 Year 10 FY 20-21

Menu of Activities		FY 20-21 Year10	Activity Description
1	<i>All In</i> Landlord Partnership Landlord Incentive Program	53,540	Landlord Incentive Program working to expand the pool of landlords accepting tenant based rental subsidy
2	Measure J Homebuyer Education	6,000	Measure J Homebuyer Education through Watsonville Law Center
3	HOME TBRA Admin Fees for Program Operators	15,000	Consistent with other HUD programs administrative fees.
4	Senior Network Services	7,000	Housing support for seniors at risk of homelessness
5	Homeowner Counseling Services	20,000	Contract for housing counseling to provide support for owners of Affordable Homeownership Units coping with an economic downturn.
6	Homebuyer Loan Database	20,000	Purchase and development of integrated homebuyer loan database
7	Affordable Rental Housing Loan	400,000	Local match funding for new potential affordable housing project
8	Housing Program Support	10,000	Emerging eligible housing expenses
9	Housing Program Implementation Fee	150,000	Support for staffing to implement County housing programs including management of the RDA funded single family portfolio and development of affordable rental projects and other affordable housing activities
10	HACO Admin Fee	15,000	Not to Exceed amount for administrative expenses, based on time and actual expenses for implementation of Year 8 activities
TOTAL		696,540	

AGENDA ITEM SUMMARY

MEETING DATE: April 22, 2020

ITEM NUMBER: 8

FROM: Executive Director

SUBJECT: Executive Director's Report – April 22, 2020

RECOMMENDATION: Receive Report

BACKGROUND SUMMARY:

Please call or e-mail me with questions you might have on any of the Agenda Items for the April 22, 2020 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.

FMR Study: The 2020 FMR study is underway. Prior to COVID-19, HA and Applied Survey Research (ASR) had met with staff at HUDs Policy Development and Research Department to propose improvements in the methodology of our own FMR study. HUD staff were receptive to additional supplemental survey methods proposed by the HA and ASR and will allow a mixed methods approach including additional forms of survey administration such as online surveys and in-person surveys. Unfortunately, the current public health situation makes some of these survey methods impossible. ASR staff are working on administering surveys by telephone survey and with online surveys. So far, response rates have been lower than expected, but the researchers remain confident that we will obtain the minimum number of surveys before the due date. The survey is due to HUD by June 1st.

Waiting List Preference for Homeless Families: The Housing Authority and Human Services Department (HSD) have agreed upon an MOU, which is currently being reviewed by County Counsel. Staff at both agencies are eager to begin implementing this preference. However, as a result of delays in approval of the MOU, and with many HSD staff being deployed as disaster service workers, the preference has not yet been implemented. HA staff have reached out to top waiting list applicants that are eligible for the preference, and is ready to begin making referrals to HSD, as soon as they are ready to receive them.

New Family Unification Program (FUP) Vouchers Awarded: The Housing Authority of the County of Santa Cruz has been awarded 37 new Family Unification Program (FUP) vouchers! The FUP program provides housing to families who are either at risk of losing their children to foster care placement because of their housing situation, or for families whose children cannot be returned to them unless their housing

situation changes. The additional 37 vouchers bring our FUP program up to a total of 218 vouchers. The Housing Authority may receive additional temporary flexibility from HUD (through C-19 related waivers) to temporarily make any unused FUP vouchers available to homeless families.

Legislative Update: In recent weeks, Congress has been focused on passing a series of COVID-19 related relief packages, the most recent of which included additional funding and regulatory relief for HUD programs, as discussed earlier in the agenda. There seems to be some agreement that an interim bill is needed in between the CARES Act and the next major relief legislation, although it is not expected to include additional relief for HUD programs.