

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
AGENDA OF THE REGULAR BOARD MEETING
September 22, 2021

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 join the Zoom Meeting via this link:

<https://us02web.zoom.us/j/87878891343?pwd=Q1BuS2JVSVI5cXlzMHNJd2tuQ0k3QT09>

Or by dialing 1(669)900-6833 and entering the Meeting ID: 878 7889 1343 and Passcode: 886894

1. Roll Call

HOUSING AUTHORITY BOARD OF COMMISSIONERS:

Chairperson Andy Schiffrin	4 year term expires, March 17, 2023
Vice Chairperson Carol Berg	4 year term expires, May 21, 2025
Commissioner Sonja Brunner	4 year term expires, September 1, 2023
Commissioner Ligaya Eligio	2 year term expires, October 18, 2022
Commissioner Rebecca Garcia	4 year term expires, February 10, 2023
Commissioner Annette Melendrez	4 year term expires, September 29, 2023
Commissioner Richard Schmale	2 year term expires, May 12, 2023

2. Consideration of Late Additions and Changes to the Agenda

3. Consent Agenda

A. Minutes of the Regular Meeting held August 25, 2021

Motion to Approve as Submitted

B. Year-End Interfund Loans

Authorize Year-End Interfund 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 2020-2021 Financial Results & Budget Comparison Reports

Receive Report

B. Agency Share of Health Insurance Premiums

Approve Staff Recommendation for Changes to the Agency's Health Insurance Contribution Levels

C. Third Party Property Management

Retain In-House Property Management of All Agency and Affiliate Owned Properties; Facilitate the Transition of the Property Management Contract at Buena Vista Migrant Center to a Qualified Successor

7. Written Correspondence

8. Report of Executive Director

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

10. Closed Session

A. Potential Litigation

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

Chairperson Schiffrin called the meeting to order at 11:31 a.m. Members present via Zoom meeting Chairperson Schiffrin, Vice Chairperson Berg, Commissioners Brunner, Eligio, Garcia, Melendrez and Schmale

Members Absent

None.

Staff Present

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

AGENDA ITEM NO 2.

Consideration of Late Additions or Changes to the Agenda

Secretary Panetta requested, on a suggestion of Chairperson Schiffrin, that Agenda Item 6B Buena Vista Migrant Center Wastewater Rehabilitation Contract for FY2021-2023 be moved from New Business to the Consent Agenda as Agenda Item 3F. The Board agreed.

AGENDA ITEM NO. 3

Consent Agenda

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

No items were pulled. Commissioner Brunner commented that she was happy to see the Family Self-Sufficiency Program Renewal Grant on the Agenda.

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

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

Agenda Item 3A. Approved the Minutes of the Regular Meeting held June 23, 2021

Agenda Item 3B. Adopted Resolution No. 2021-05: Retroactively Authorizing Submission of a Registration of Interest and Application to the U.S. Department of Housing and Urban Development (HUD) under the Veterans Affairs Supportive Housing (VASH) Program

Agenda Item 3C. Adopted Resolution No. 2021-06: Authorization of a Grant Application Submittal, the Execution of a Grant Agreement and Any Amendments Thereto, and Any Other Documents Necessary to Secure a U.S. Department of Housing and Urban Development (HUD) Family Self Sufficiency (FSS) Coordinator Renewal Grant

Agenda Item 3D. Approved Revision to Personnel Policy to Reflect Juneteenth Holiday

Agenda Item 3E. Received Emergency Housing Voucher (EHV) Memorandum of Understanding (MOU)

Agenda Item 3F. Adopted to Adopt Resolution No. 2021-07: Resolution Authorizing Approval of 2021-

2023 Fiscal Year Rehabilitation Contract for the Buena Vista Migrant Center, Watsonville, California (Contract No. 21-OMS-16180)

Interim Deputy Executive Director Pomeroy exited the meeting at 11:40 a.m.

AGENDA ITEM NO. 4 Oral Communications

- 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 join the Zoom Meeting via this link:

<https://us02web.zoom.us/j/85156818737?pwd=LzlsMzdpM0M3TkwyY0ZQZFdXcGRUdz09>

Or by dialing +1 669 900 6833 and entering the Meeting ID: 851 5681 8737 and Passcode: 807777

No emails with comments were submitted and no members of the public participated in oral communications.

A member of the public, Gary Patton, was in attendance via Zoom. The Board and Secretary Panetta welcomed Mr. Patton to the meeting.

AGENDA ITEM NO. 5 Unfinished Business

None.

AGENDA ITEM NO. 6A Election of Officers

Chairperson Schiffrin opened the nominations for the position of Chairperson and Vice-Chairperson for the Board of Commissioners as the August meeting is the Annual Meeting. Vice-Chairperson Berg nominated Chairperson Schiffrin to continue as Chairperson. Commissioner Eligio seconded the nomination. Chairperson Schiffrin agreed to continue as Chairperson. No other nominations were received. Nomination passed by acclamation. Role call vote as follows:

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

Commissioner Garcia nominated Vice-Chairperson Berg to continue as Vice-Chairperson. Vice-Chairperson Berg agreed to continue as Vice-Chairperson. No other nominations received Nomination passed by acclamation. Roll call vote as follows:

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING AUGUST 25, 2021, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

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

The Board thanked Chairperson Schiffrin and Vice-Chairperson Berg for accepting the nominations. Secretary Panetta stated that she looks forward to working with Chairperson Schiffrin and Vice-Chairperson Berg for another year. Chairperson Schiffrin stated that he looks forward to working with Secretary Panetta and appreciates the Board keeping him and Vice-Chairperson Berg in their current roles.

AGENDA ITEM NO. 6B Buena Vista Migrant Center Wastewater Rehabilitation Contract for FY2021-2023

(Moved to Consent Agenda)

AGENDA ITEM NO. 6C Creation and Revision of Positions on Salary Schedule

Secretary Panetta informed the Board that staff would like to create two new positions. One would be Director of Operations and one would be a Senior Data Analyst. The Director of Operations would provide direct supervision of all property management and would provide general oversight over all Agency internal operations. The Senior Data Analyst will be responsible for applying complex IT and analytical tools and have a deep knowledge of agency programs.

Also, as a result of recent organizational changes, the former Intake Eligibility Unit (formerly in the Property Management Department) has been integrated into the former Eligibility and Occupancy Department. The new department is called the Housing Programs Department. The Housing Programs Department Head has accepted additional duties and is overseeing a significantly larger department. A salary increase is suggested by staff.

Secretary Panetta informed the Board that the attached salary schedule includes the two additional positions described above (Director of Operations and Senior Data Analyst), as well as the Housing Programs Department Director position (which has been renamed from Eligibility and Occupancy Director, and which has been placed at a higher salary range). A discussion followed.

Commissioner Garcia made a motion to approve the new Salary Schedule; Commissioner Brunner seconded the motion and it was passed by the following vote:

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

AGENDA ITEM NO. 6D

Project Based Voucher (PBV) Program – Criteria for Selecting Proposals and Status of Expansion of PBV Program

Secretary Panetta reminded the Board that in recent years, the Housing Authority has sought to expand the Project Based Voucher (PBV) program to support the development of affordable housing, increase the number of units exclusively available to voucher holders, increase housing opportunities for Housing Authority applicants, and increase voucher utilization. The Board of Commissioners has established goals related to PBV expansion both in the PHA Five Year Plan, and in the Agency Annual Goals. The current PHA Five Year Plan PBV goal is to increase the size of project-based voucher program by 300 vouchers, with at least 150 of those vouchers provided to new affordable housing developments. The current Agency Annual Goal is to approve at least 10% more units over previous year with at least 75% of new PBV units that are approved to be for new affordable housing developments. (The staff report states 50% of new PBV units but this was revised to 75% at the Board’s June meeting).

The Board of Commissioners reviews and approves the PBV Scoring Criteria, to assure that the criteria reflect the Agency goals. Secretary Panetta informed the Board that the PBV criteria is included in the staff report. A table of developments in the pipeline conditionally approved for PBVs is also included in the staff report. Secretary Panetta informed the Board that staff are pleased to report that 359 PBVs have been conditionally approved.

Secretary Panetta informed that Board that in 2017, California legislators enacted SB 35 to streamline housing construction in counties in California that are not meeting state mandated construction requirements. SB 35 established several state mandated development criteria, requiring that any developments making use of this streamlined process must be on land zoned for residential use, designate at least 50% of units to affordable housing (if the locality did not meet low-income housing requirements), must not be constructed in an ecologically protected area, must be multi-family housing, and must pay workers prevailing wages. Any developments that meet these criteria must be approved by their localities in 60 days (for projects with less than 150 units) or 90 days (for projects with 150 or more units). The law entitles these developments to an administrative, “by-right” approval process. This is distinct from “conditional” approvals that require a vote by elected officials. Additionally, by-right approvals are not subject to California Environmental Quality Act (CEQA) review, which requires local government agencies to inform decision makers and the public about the potential environmental impacts of proposed projects, and to reduce those environmental impacts to the extent feasible. A discussion followed. Chairperson Schiffrin has concerns about the agency approving PBVs for developments that go through the SB 35 process. Chairperson Schiffrin states that he believes it’s not good public policy to support a development that doesn’t go through the regular process for approvals, and that many of the developments that go through the SB 35 process could qualify through the normal jurisdictional review.

Chairperson Schiffrin states that he is also concerned that one of the HUD requirements is that the development goes through an Environmental Review to get PBVs. The review is done by “the Responsible Entity”. Normally, that entity is the city or the county who is reviewing the project and giving approval. It is unclear whether the city or the county could or would act as Responsible Entity in a SB 35 project. Chairperson Schiffrin recommends that the Board adopt criteria that disallows SB 35 projects from getting PBVs or directs developers to use the standard jurisdictional review process to get local approval. Commissioner Garcia supports Chairperson Schiffrin’s recommendation.

Secretary Panetta informed the Board that when the Housing Authority reviews proposals using the PBV Selection Criteria, and the proposed development is approved, a conditional letter of approval is issued. The project still has to meet all applicable HUD requirements including an Environmental Review before receiving the actual award. Vice-Chairperson Berg suggested adding some wording to the HA criteria that indicates that the Housing Authority depends on the approving jurisdiction to ensure the quality and functionality of the units that would receive PBVs. The Housing Authority therefore requires that any projects that would receive PBVs would have to go through the regular jurisdictional approval process. Chairperson Schiffrin directed staff to return with wording that addresses the Board’s concerns and requires PBV applicants to go through a standard jurisdictional review.

Commissioner Brunner informed the Board that the Santa Cruz City Council will be having a SB 35 study session on September 7, 2021 if any of the Board of Commissioners are interesting in attending. The link will be on the city website.

Chairperson Schiffrin asked the member of the public in attendance Gary Patton if he would like to say anything about this Agenda Item. Mr. Patton stated he’s not interested in weighing in at this point but has been following what is going on in the City of Santa Cruz and is looking forward to seeing what the Board will decide. Commissioner Brunner requested that Secretary Panetta reach out to Housing Authorities in California and see how they are handling this. Commissioner Garcia shared that in the City of Watsonville, they have approved their first SB 35 project. The Board of Commissioners directed staff to return with a revised set of criteria based on the Board of Commissioners comments and concerns.

AGENDA ITEM NO. 7

Written Correspondence

None.

AGENDA ITEM NO. 8

Report of Executive Director

Executive Director Panetta updated the Board on the Natural Bridges development including the outcome of the community meeting.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING AUGUST 25, 2021, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

Executive Director Panetta updated the Board on the search for 3rd party property management services. Staff is in the process of reviewing the two proposals that were received by the submission deadline. Staff will be especially mindful of the concerns expressed by the Board during the last meeting during this review. Upon conclusion of this evaluation process, staff will return to the Board in September with a recommendation on what extent, if any, to utilize a 3rd party property management provider.

Executive Director Panetta updated the Board on the many organizational and staffing changes taking place at the Housing Authority. As a result of the significant changes to the management team, Executive Director Panetta informed the Board that she has asked Finance Director Aaron Pomeroy to serve temporarily as Interim Deputy Executive Director.

Executive Director Panetta informed the Board that after the statewide re-opening on June 15th, the Housing Authority began to transition staff back to the office. Staff have resumed working on site full time, and the HA has recently re-opened the lobby to the public. At the time this report was written, masks were required indoors for any unvaccinated members of staff, and for all members of the public. Masks were *recommended* indoors for vaccinated staff as well. Now, due to changes from state and local health officials, masks are required for all staff regardless of their vaccination status.

Executive Director Panetta informed the Board that on January 1, 2021, the National Defense Authorization Act (NDAA) was enacted. The Act includes a provision to expand HUD-VASH eligibility to include veterans with other than honorable discharge status. Local VA partners have recently received the guidance that they need to implement this eligibility expansion in the community,

Executive Director Panetta informed the Board that on August 6th, HUD released the Fair Market Rents for Santa Cruz and San Benito Counties. The FMRs for Santa Cruz County increased slightly, while the FMRs for San Benito County decreased. Staff will compare the new FMRs to current rental prices in San Benito County and may request a waiver from HUD to increase Payment Standards.

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 12:42 p.m.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING AUGUST 25, 2021, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41ST AVENUE, CAPITOLA, CA 95010

I hereby certify that these minutes were approved by the Housing Authority of the County of Santa Cruz, on the Twenty Second Day of September 2021.

Chairperson of the Authority

ATTEST: _____

Secretary

AGENDA ITEM SUMMARY

MEETING DATE: September 22, 2021

ITEM NUMBER: 3B

FROM: Executive Director

SUBJECT: Year-End Interfund Loans

RECOMMENDATION: Authorize Year-End Interfund Loans from 41st Ave Office Fund

BACKGROUND SUMMARY:

Most of the grants and contracts awarded to the Housing Authority 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. Furthermore, certain business type funds run a cash deficit due to the nature of the fund. For example, the building funds of 2170 41st Ave Office Annex and Natural Bridges incur capital expenditures without offsetting revenues. Over time, these funds accumulate larger negative cash balances. It is customary to report liabilities in lieu of negative cash balances in the annual financial statements and year-end reports. As a result, temporary interfund cash loans need to be made from the Housing Authority 41st Avenue Office Fund as follows:

Fund 681	FSS Coordinator Grant	\$ 16,003.96
Fund 683	Shelter Plus Care Grant	\$ 89,648.91
Fund 686	New Roots Grant	\$ 26,748.45
Fund 716	Migrant Services Administration	\$ 9,061.06
Fund 743	Natural Bridges Property	\$ 96,859.34
Fund 772	2170 41 st Avenue Office Annex Building	\$ 303,841.37
Fund 781	Merrill Road Administration	\$ 57,421.78
Fund 810	Buena Vista Migrant Center	\$ 50,040.26
Fund 852	City of Santa Cruz Programs	\$ 11,733.08
Fund 865	County HOME Grant	\$ 10,188.26
Fund 881	County of Santa Cruz Programs	\$ 24,138.64
Fund 771	Loan from 41st Avenue Office Fund	\$ 695,685.11

These temporary interfund loans will be recorded in the general ledger on June 30, 2021 and reversed on July 1, 2021. Amounts are subject to change pending final audit adjustments.

RECOMMENDATION:

Authorize Year-End Interfund Loans from 41st Ave Office Fund.

AGENDA ITEM SUMMARY

MEETING DATE: September 22, 2021

ITEM NUMBER: 6A

FROM: Executive Director

SUBJECT: Fiscal Year 2020-2021 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, 2021. The year-end financials include a variety of accruals but exclude non-budgeted GAAP accounting entries such as depreciation 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 101% of budgeted revenue and actual agency-wide expenses were 100% of budgeted expenses. The agency's activities generated a surplus of \$389,920, due primarily to the CARES Act, which provided \$1.3 million in additional Housing Choice Voucher (HCV) administrative fee funding during the fiscal year.

As a result of the CARES Act admin funding, the Section 8 program ended the year with a surplus of \$216,858 in addition to an admin fee reserve deposit of \$1.5 million. Section 8 HAP revenue and expense actuals were nearly on budget for the year, at 101% of budgeted amounts respectively.

The Federal Housing program group closed out the year with a budget surplus of \$53,390. These results reflect the mid-year transition of the public housing units through the Streamlined Voluntary Conversion process. In future years, this Federal Housing program group will consist solely of the two USDA projects, Casa Pajaro and Tierra Alta.

The Federal Grants program group experienced a deficit of \$35,471 as a result of the Family Self Sufficiency personnel costs exceeding grant funding by \$24,719, as anticipated, and the Brommer Transitional Housing program operating expenses exceeding HUD grant funding by \$10,753. This past year also marked the conclusion of the HUD funded grant for Brommer as it transitioned in ownership to New Horizons as residents were issued vouchers.

State Grants and Local Programs, which generally operate near a breakeven point, continued that trend with a surplus of \$2,086 and \$19,532, respectively.

The Business Activities group experienced a surplus of \$133,525 which is primarily due to the rental income generated from the Mission Street warehouse. Reserve deposits of \$300,000 will fund the capital expenditures at the Mission Street warehouse in the upcoming fiscal year.

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

Section 8 Programs	\$216,858	Vouchers, Mod Rehab & Mob Rehab SRO
Federal Housing Programs	53,390	LIPH and USDA
Federal Grants	(35,471)	Shelter + Care, FSS, Transitional Housing
State Grants	2,086	Migrant Center & MCC
Local Programs	19,532	Security Deposits, Landlord Incentives, Eligibilities
Business Activities	<u>133,525</u>	Includes 41st Ave Offices & Mission St Warehouse
Agency-Wide Surplus	\$389,920	

The following individual programs have a year-end deficit:

Family Self Sufficiency (FSS)	(\$24,719)	(HUD grant funding insufficient to cover personnel costs)
City of Capitola	(\$1,902)	(Local programs funds insufficient to cover personnel costs)
City of Santa Cruz	(\$6,040)	(Local programs funds insufficient to cover personnel costs)
Brommer Transitional Housing	(\$10,753)	(HUD grant funding insufficient to cover operating costs; this grant program has now ended as part of the conversion of Brommer to New Horizons)

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - All Funds

Agency-Wide Summary

Fiscal Year to Date for the Period July 1, 2020 - June 30, 2021

		2020-2021	
	FY 2020-2021	Annual	Budget
	Actuals	Budget	Utilized
Revenues:			
HAPS / Program	93,318,979	92,670,399	101%
Administrative Fees	8,110,178	7,708,336	105%
Grants / Contracts	1,985,764	1,989,961	100%
Rental Income	2,354,998	2,246,562	105%
Operating Transfers In	332,496	713,460	47%
Other Income	222,861	192,487	116%
Total Revenues:	106,325,276	105,521,204	101%
Expenses:			
Housing Assistance Pmts	93,335,567	92,686,482	101%
Salaries	4,159,184	4,041,002	103%
Employee Benefits	1,989,947	2,027,592	98%
Capital Purchases	148,278	743,050	20%
Maintenance	1,291,340	1,315,370	98%
General Administrative	1,825,815	1,893,115	96%
Tenant Services	660,362	680,043	97%
Operating Transfers Out	2,512,652	1,900,596	132%
Debt Service	12,210	10,635	115%
Total Expenses:	105,935,356	105,297,886	101%
Surplus (Deficit):	389,920	223,318	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Section 8

Includes Mod Rehab, Mainstream, and Santa Cruz Voucher Program

Fiscal Year to Date for the Period July 1, 2020 - June 30, 2021

		2020-2021	
	FY 2020-2021	Annual	Budget
	Actuals	Budget	Utilized
Revenues:			
HAPS / Program	92,653,952	91,968,903	101%
Administrative Fees	7,642,823	7,296,797	105%
Grants / Contracts	-	-	0%
Rental Income	-	-	0%
Operating Transfers In	-	-	0%
Other Income	42,682	21,540	198%
Total Revenues:	100,339,457	99,287,240	101%
Expenses:			
Housing Assistance Pmts	92,653,952	91,968,903	101%
Salaries	3,169,622	3,116,306	102%
Employee Benefits	1,592,372	1,637,296	97%
Capital Purchases	-	-	0%
Maintenance	23	394	6%
General Administrative	1,206,629	1,238,410	97%
Tenant Services	-	-	0%
Operating Transfers Out	1,500,000	1,226,747	0%
Debt Service	-	-	0%
Total Expenses:	100,122,598	99,188,055	101%
Surplus (Deficit):	216,858	99,184	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Federal Housing

Includes LIPH, Casa Pajaro (USDA), and Tierra Alta (USDA)
Fiscal Year to Date for the Period July 1, 2020 - June 30, 2021

	2020-2021		
	FY 2020-2021	Annual	Budget
	Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	-	-	0%
Grants / Contracts	333,803	324,048	103%
Rental Income	1,537,987	1,548,859	99%
Operating Transfers In	332,496	434,610	77%
Other Income	147,608	136,341	108%
Total Revenues:	2,351,894	2,443,858	96%
Expenses:			
Housing Assistance Pmts	16,588	16,083	0%
Salaries	480,297	439,806	109%
Employee Benefits	189,397	190,751	99%
Capital Purchases	54,535	169,450	32%
Maintenance	887,337	915,521	97%
General Administrative	280,159	297,725	94%
Tenant Services	-	2,400	0%
Operating Transfers Out	379,555	338,337	112%
Debt Service	10,635	10,635	100%
Total Expenses:	2,298,504	2,380,708	97%
Surplus (Deficit):	53,390	63,151	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Federal Grants

Includes Capital Fund, FSS, Brommer Transitional Housing, Shelter Plus Care
Fiscal Year to Date for the Period July 1, 2020 - June 30, 2021

	2020-2021		
	FY 2020-2021	Annual	Budget
	Actuals	Budget	Utilized
Revenues:			
HAPS / Program	665,027	701,497	95%
Administrative Fees	-	-	0%
Grants / Contracts	602,708	558,133	108%
Rental Income	5,805	5,805	100%
Operating Transfers In	-	-	0%
Other Income	302	375	81%
Total Revenues:	1,273,842	1,265,810	101%
Expenses:			
Housing Assistance Pmts	665,027	701,497	95%
Salaries	123,066	129,236	95%
Employee Benefits	61,005	61,790	99%
Capital Purchases	-	-	0%
Maintenance	6,264	6,333	99%
General Administrative	5,842	7,890	74%
Tenant Services	113,438	71,769	158%
Operating Transfers Out	333,097	335,512	99%
Debt Service	1,575	-	0%
Total Expenses:	1,309,313	1,314,026	100%
Surplus (Deficit):	(35,471)	(48,216)	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - State Grants

Includes Buena Vista Migrant Center and Mortgage Credit Certificates
Fiscal Year to Date for the Period July 1, 2020 - June 30, 2021

	2020-2021		
	FY 2020-2021	Annual	Budget
	Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	-	-	0%
Grants / Contracts	432,905	432,905	100%
Rental Income	37,999	-	0%
Operating Transfers In	-	28,850	0%
Other Income	18,580	13,848	134%
Total Revenues:	489,484	475,603	103%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	80,598	69,792	115%
Employee Benefits	30,239	23,827	127%
Capital Purchases	10,088	41,850	24%
Maintenance	294,630	277,193	106%
General Administrative	71,842	62,578	115%
Tenant Services	-	-	0%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
Total Expenses:	487,398	475,240	103%
Surplus (Deficit):	2,086	363	

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

Budget Comparison - Local Programs

Includes programs funded by the local jurisdictions

Fiscal Year to Date for the Period July 1, 2020 - June 30, 2021

	2020-2021		
	FY 2020-2021	Annual	Budget
	Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	-	-	0%
Grants / Contracts	616,348	674,874	91%
Rental Income	-	-	0%
Operating Transfers In	-	-	0%
Other Income	-	-	0%
Total Revenues:	616,348	674,874	91%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	30,562	40,469	76%
Employee Benefits	11,469	14,932	77%
Capital Purchases	-	-	0%
Maintenance	0	7	3%
General Administrative	7,861	10,634	74%
Tenant Services	546,924	605,874	90%
Operating Transfers Out	-	-	0%
Debt Service	-	-	0%
Total Expenses:	596,817	671,916	89%
Surplus (Deficit):	19,532	2,958	

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 to Date for the Period July 1, 2020 - June 30, 2021

	FY 2020-2021	2020-2021	Budget
	Actuals	Budget	Utilized
Revenues:			
HAPS / Program	-	-	0%
Administrative Fees	467,356	411,539	114%
Grants / Contracts	-	-	0%
Rental Income	773,206	691,897	112%
Operating Transfers In	-	250,000	0%
Other Income	13,689	20,383	67%
Total Revenues:	1,254,251	1,373,819	91%
Expenses:			
Housing Assistance Pmts	-	-	0%
Salaries	275,038	245,393	112%
Employee Benefits	105,466	98,996	107%
Capital Purchases	83,655	531,750	16%
Maintenance	103,085	115,922	89%
General Administrative	253,482	275,879	92%
Tenant Services	-	-	0%
Operating Transfers Out	300,000	-	0%
Debt Service	-	-	0%
Total Expenses:	1,120,726.07	1,267,940	88%
Surplus (Deficit):	133,525	105,879	

AGENDA ITEM SUMMARY

MEETING DATE: September 22, 2021

ITEM NUMBER: 6B

FROM: Executive Director

SUBJECT: Agency Share of Health Insurance Premiums

RECOMMENDATION: Approve Staff Recommendation for Changes to the Agency's Health Insurance Contribution Levels.

BACKGROUND SUMMARY:

The Housing Authority's health insurance plans for staff are provided through CalPERS. CalPERS announces the rates for each of the health insurance plans for the coming calendar year prior to the open enrollment period which begins in September. The open enrollment period allows for staff to modify their health plan selections without being limited to a "qualifying event." The agency contributes towards the cost of the health insurance plans offered through CalPERS as part of the total compensation package provided to staff. Management assesses the extent to which the cost of the health insurance premiums is shared between employer and employee on an annual basis once the new rates are announced. It is ideal for this cost-sharing structure to be re-benchmarked prior to the open enrollment period to ensure staff can make informed decisions on their health plan selection for the coming year.

The premiums for the CalPERS' health insurance plans in our region are set to increase or decrease by a wide margin depending on the plan. 50% of staff, by far the agency's most popular plan, are enrolled in the Kaiser Permanente plan which will experience a premium increase of 5.3%. This translates into an increase in the monthly employee share of \$44, \$87, and \$113 for single, two party, and family coverage, respectively. Management proposes to increase the agency's contribution towards health insurance by these same amounts in order to offset the cost of the premium increases to staff. Under this proposal, the agency's monthly health insurance contribution levels would be: \$704 (Single), \$1,407 (Two Party), \$1,828 (Family), and \$589 (Cash in Lieu for employees who are covered by their spouse's insurance). A summary of the current employee share of premiums and the proposed share of premiums for the coming year are shown in the attached table along with a summary of the proposed changes to the agency contribution level. The estimated cost to implement these changes is \$50,000 on an annual basis with a \$25,000 impact in the current FY2021-22 budget year.

RECOMMENDATION:

Approve Staff Recommendation for Changes to the Agency's Health Insurance Contribution Levels.

Health Plan	2021 Employee Share of Monthly Premium	2022 Employee Share of Monthly Premium	Increase in Employee Share of Premium
Single			
PERS Select/Gold (PPO)	0.00	0.00	0.00
Kaiser Permanente (HMO)	153.64	153.06	(0.58)
Anthem Select (HMO)	265.60	311.81	46.21
PERS Choice/Platinum (PPO)	275.84	353.01	77.17
Health Net SmartCare (HMO)	460.21	449.00	(11.21)
Western Health Advantage (HMO)	97.02	37.26	(59.76)
Anthem EPO Del Norte (PPO)	275.84	353.01	77.17
Blue Shield Trio (HMO)	220.50	194.54	(25.96)
Blue Shield Access+ (HMO)	510.08	412.01	(98.07)
UnitedHealthcare Alliance (HMO)	281.17	316.28	35.11
PERSCare / PERS Platinum (PPO)	634.69	353.01	(281.68)
Anthem Traditional (HMO)	647.86	600.00	(47.86)
2 Party			
PERS Select/Gold (PPO)	0.00	0.00	0.00
Kaiser Permanente (HMO)	307.28	307.12	(0.16)
Anthem Select (HMO)	531.20	624.62	93.42
PERS Choice/Platinum (PPO)	551.68	707.02	155.34
Health Net SmartCare (HMO)	920.42	899.00	(21.42)
Western Health Advantage (HMO)	194.04	75.52	(118.52)
Anthem EPO Del Norte (PPO)	551.68	707.02	155.34
Blue Shield Trio (HMO)	441.00	390.08	(50.92)
Blue Shield Access+ (HMO)	1,020.16	825.02	(195.14)
UnitedHealthcare Alliance (HMO)	562.34	633.56	71.22
PERSCare (PPO)	1,269.38	707.02	(562.36)
Anthem Traditional (HMO)	1,295.72	1,201.00	(94.72)
Family			
PERS Select/Gold (PPO)	0.00	0.00	0.00
Kaiser Permanente (HMO)	400.46	400.36	(0.10)
Anthem Select (HMO)	691.56	813.11	121.55
PERS Choice/Platinum (PPO)	718.18	920.23	202.05
Health Net SmartCare (HMO)	1,197.55	1,169.80	(27.75)
Western Health Advantage (HMO)	253.25	99.28	(153.97)
Anthem EPO Del Norte (PPO)	718.18	920.23	202.05
Blue Shield Trio (HMO)	574.30	508.20	(66.10)
Blue Shield Access+ (HMO)	1,327.21	1,073.63	(253.58)
UnitedHealthcare Alliance (HMO)	732.04	824.73	92.69
PERSCare (PPO)	1,651.19	920.23	(730.96)
Anthem Traditional (HMO)	1,685.44	1,562.40	(123.04)
HA Monthly Contribution			
Single	Up to \$660	Up to \$704	\$44
2 Party	Up to \$1,320	Up to \$1,407	\$87
Family	Up to \$1,715	Up to \$1,828	\$113
Cash in Lieu	\$545	\$589	\$44

AGENDA ITEM SUMMARY

MEETING DATE: September 22, 2021

ITEM NUMBER: 6C

FROM: Executive Director

SUBJECT: Third Party Property Management

RECOMMENDATION: Retain In-House Property Management of All Agency and Affiliate Owned Properties; Facilitate the Transition of the Property Management Contract at Buena Vista Migrant Center to a Qualified Successor

BACKGROUND SUMMARY:

In the June meeting, staff informed the Board that an RFP was issued to explore the use of a third-party property management (PM) company to assist with managing our properties. The RFP encompassed the following services:

- Leasing and Resident Services Management
- Maintenance and Physical Management
- Financial and Compliance Management

The goal of the RFP was to assess the extent to which a third party PM company could help improve general property operations, financial performance, and improve resident service while potentially offering cost savings. A total of two proposals were received through the RFP process. The proposals were reviewed by staff and deemed to be cost prohibitive relative to fully staffing the agency's in-house PM department. The two proposals ranged from several hundred thousand dollars to over half a million more than the cost of performing these services through our own staff. The potential benefits with third party PM services cannot be justified in light of the dramatic cost differential compared to providing the PM services in-house.

All properties we manage are owned by the Housing Authority or one of its affiliates with the exception of Buena Vista Migrant Center, which is owned by the State. Currently, the Housing Authority serves in the capacity of the third party property manager for Buena Vista on behalf of the State through a contract with the Office of Migrant Services (OMS). The Buena Vista program has historically operated at a loss and requires a disproportionate amount of PM staff involvement. Unfortunately, Buena Vista's disproportionate burden on PM staff's time is not met with adequate funding from the State. The Buena Vista operations pose an issue of scale for the agency's in-house PM team. During periods of peak activity at Buena Vista, which occur at least twice annually, as the center opens and closes each year, in-house PM staff must shift attention away from the other properties for significant periods of time, which can often lead to extended vacancies, backlogs in responding to maintenance requests, and a reduction in customer service for the properties owned by the Housing Authority and New Horizons. While the Housing Authority and affiliate owned properties lend themselves to a small, in-house PM team, Buena Vista's operations would benefit from a PM provider with the depth and resource capacity necessary to scale up personnel on demand during periods of peak activity, which occur at least bi-annually.

Housing Authority staff have begun gathering information on alternatives to serving as the third party property manager for OMS at Buena Vista. In some cases, PM providers in the nonprofit sector can provide the same or better level of service than public entities, at a lower cost. As a result, some of the State's migrant centers are managed by nonprofit entities. We believe a transition to a third party property management company, particularly one with experience in managing a migrant center, would not negatively impact residents of the Buena Vista Migrant Center. To the contrary, they may experience better resident services and faster response times during peak periods of activity from a management company with greater resource capacity as compared to our small department with just a few staff.

In summary, staff recommends that property management of Housing Authority and affiliate owned properties (New Horizons and Merrill Road) remains in-house. Over time, with the additional development and acquisition activities that may occur through New Horizons, the number of units the Agency and our affiliates owns is likely to increase. Conversely, staff recommends that the Housing Authority request for OMS to begin the search for another agency to provide property management to Buena Vista Migrant Center. The Housing Authority would continue to manage the property up until such an entity could be found, and would work with the new property manager and residents to ensure a smooth transition. This transfer would allow the Housing Authority to focus our modest PM resources on the properties in our portfolio and to ensure excellent service to residents of Agency properties.

RECOMMENDATION:

Retain In-House Property Management of All Agency and Affiliate Owned Properties; Facilitate the Transition of the Property Management Contract at Buena Vista Migrant Center to a Qualified Successor

AGENDA ITEM SUMMARY

MEETING DATE: September 22, 2021

ITEM NUMBER: 8

FROM: Executive Director

SUBJECT: Executive Director's Report – September 22, 2021

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 22, 2021 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.

Natural Bridges – The Housing Authority has received a letter from the City of Santa Cruz in response to the development application we submitted for Natural Bridges Drive. In the letter, the City informed the HA that there are items required to consider the application complete. HA staff have been working with T&T Architects to compile the requested information. T&T have informed staff that the items are routine, and that nothing the City provided in their initial review and comments have raised significant concerns about the project. We expect to submit the requested information within the next few weeks. Once the application is approved, we will begin working with Bill Kempf Architects on construction drawings. Additionally, the Housing Authority has selected a construction project manager, Allen France, who will assist us in developing an RFP for construction and oversee the development of the project. The HA is in the process of obtaining all entitlements for the development of the Natural Bridges property. Once entitled, New Horizons will acquire the land from the HA so that construction takes place under New Horizon's ownership. Funding for the construction will be provided to New Horizons through an agreement with the HA that utilizes the proceeds from the preservation of the former LIPH reserves.

Meeting Format – In March 2020, as part of a series of emergency measures in response to the COVID-19 pandemic, Governor Newsom signed Executive Order N-29-20, allowing local and state agencies to hold virtual meetings via teleconference and to make meetings accessible electronically notwithstanding the open meeting laws in the Brown Act. On June 11, 2021, the Governor issued Executive Order N-08-21, which addresses the expiration of numerous executive orders issued during the pandemic, including but not limited to those addressing the Brown Act. The new Executive Order states that the existing exceptions to the Brown Act provided in the previous Executive Order will expire on

September 30, 2021. Therefore, unless these Brown Act exceptions are extended, we will return to in-person Board of Commissioner meetings for the October meeting scheduled for October 27, 2021.

Legislative Update – In addition to the \$1 trillion infrastructure package approved by Congress this summer (which did not include Housing funds), Congress approved a budget resolution that provided committees with broad instructions directing them to draft a supplemental Housing as Infrastructure bill expected to be approved this fall. The House Financial Services Committee released draft legislation proposing over \$300 billion in investments in housing, including \$80 billion in the Public Housing Capital Fund and \$75 billion in new vouchers.