

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ**  
**AGENDA OF THE REGULAR BOARD MEETING**  
**October 27, 2021**  
**11:30 a.m.**

TO BE HELD AT:  
**HOUSING AUTHORITY OFFICES**  
2160 41<sup>st</sup> 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](mailto:housing@hacosantacruz.org) prior to the meeting or join the Zoom Meeting via this link:

Join Zoom Meeting

<https://us02web.zoom.us/j/89235050119?pwd=VHNxd0F5TFNscVJQSkVRMFewNjBEZz09>

Meeting ID: 892 3505 0119

Passcode: 744456

One tap mobile

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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 September 22, 2021

Motion to Approve as Submitted

B. Cancellation of the November 24<sup>th</sup> and December 22<sup>nd</sup> Regular Meetings

Motion to Approve the Cancellation of the Regular Meetings of November 24, 2021 and December 22, 2021 and Call a Special Meeting on December 08, 2021 at the Regular Time of 11:30 a.m.

C. Buena Vista Migrant Center Update

Receive Staff Report

D. Housing Authority Annual Goals – Q1 Progress Report

Receive Report

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. Project Based Voucher (PBV) Program – Integration of PBV Process with SB 35 or Ministerial Review; Case Study: 1482 Freedom Blvd. Watsonville

Receive Presentation Regarding 1482 Freedom Blvd Watsonville

B. Board of Commissioners Meeting Format

Motion to Adopt Resolution No.2021-08 Authorizing the Housing Authority Board of Commissioners to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361; Delegate to Executive Director the Authority to Re-Verify State of Emergency and Social Distancing Recommendations if more than Thirty (30) Days Between Board Meetings

C. Development Funding for 415 Natural Bridges

Discussion

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
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 11:33 a.m. Members present via Zoom meeting Chairperson Schiffrin, Vice Chairperson Berg, Commissioners Brunner, Eligio, Garcia, Melendrez and Schmale (Commissioner Schmale entered the meeting at 11:35 a.m.)

**Members Absent**

None.

**Staff Present**

Jennifer Panetta and Courtney Byrd of the Housing Authority

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

Secretary Panetta requested that Agenda Item No. 10 Closed Session be moved to Agenda Item No. 6A. Agenda Item No. 10 so moved. *Report on Closed Session remains under Agenda Item No. 11.*

**AGENDA ITEM NO. 3** Consent Agenda

Secretary Panetta proposed to change the wording in Agenda Item No. 3A Minutes of the Regular Meeting held August 25, 2021 under Agenda Item No. D be amended from “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” to “*The Board of Commissioners* directed staff to return with wording that addresses the Board’s concerns and requires PBV applicants to go through a standard jurisdictional review”. The Board of Commissioners agreed to the amendment. Minutes so amended.

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

Commissioner Berg moved for the approval of the Consent Agenda as amended; 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 August 25, 2021 as amended  
Agenda Item 3B. Authorized Year-End Interfund Loans from 41<sup>st</sup> Ave Office Fund

**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](mailto: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.

**AGENDA ITEM NO. 5**                      Unfinished Business  
None.

The Board of Commissioners entered Closed Session at 11:42 a.m.

**AGENDA ITEM NO. 6A**                      Closed Session – Potential Litigation

*Report on Closed Session under Agenda Item No. 11*

The Board of Commissioners exited Closed Session at 12:50 p.m.

Interim Deputy Executive Director Aaron Pomeroy entered the meeting at 12:51 p.m.

**AGENDA ITEM NO. 6B**                      Fiscal Year 2020-2021 Financial Results & Budget Comparison Reports

Secretary Panetta introduced Interim Deputy Executive Director Pomeroy who directed the Board's attention to the Fiscal Year 2020-2021 Financial Results & Budget Comparison Reports included in this month's Board Packet. Interim Deputy Executive Director Pomeroy summarized the current state of the Housing Authority's budget and highlighted the CARES Act funding for the Section 8 Program. A discussion followed. The Board of Commissioners and Secretary Panetta thanked Interim Deputy Executive Director Pomeroy and Finance staff for their work on this report.

**AGENDA ITEM NO. 6C**                      Agency Share of Health Insurance Premiums

Interim Deputy Executive Director Pomeroy informed the Board that 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 premiums for the CalPERS' health insurance plans in the HACSC 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. 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.

Interim Deputy Executive Director informed the Board that 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. A discussion followed.

Commissioner Garcia made a motion to approve Staff Recommendation for Changes to Agency's Health Insurance Contribution Levels; Commissioner Brunner seconded the motion and it was passed by the following vote:

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

(Commissioner Schmale re-entered the meeting shortly after the vote.)

**AGENDA ITEM NO. 6D** Third Party Property Management

Interim Deputy Executive Director Pomeroy reminded the Board of Commissioner's that at 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 the HACSC properties. 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.

Staff recommended that the Housing Authority continue to provide property management for all PHA and affiliate owned properties, but not the Buena Vista Migrant Center which is owned by the State. Unfortunately, Buena Vista's disproportionate burden on PM staff's time is not met with adequate funding, and the limited capacity of the Housing Authority PM department cannot meet the seasonal needs of the migrant center while continuing to provide adequate coverage to Agency properties. 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 will work with the new property manager and residents to ensure a smooth transition. The Housing Authority will assist OMS in finding a third party to manage the property. A discussion followed.

Commissioner Garcia made a motion to Retain In-House Property Management of All Agency and Affiliate Owned Properties and directs staff to inform OMS of the Housing Authority's Intention to no longer continue its Property Management Contract to Manage the Buena Vista Migrant Center and directs staff to report back to the Board with the OMS response to that decision. Commissioner Brunner seconded the motion and it was passed by the following vote:

AYES: Commissioner Berg, Brunner, Eligio, Garcia, Melendrez, Schiffrin and Schmale

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING SEPTEMBER 22, 2021, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41<sup>ST</sup> AVENUE, CAPITOLA, CA 95010

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NOES: None  
ABSENT: None  
ABSTAIN: None

Interim Deputy Executive Director Pomeroy left the meeting at 1:23 p.m. with thanks from the Board of Commissioners and Secretary Panetta.

**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 Drive development. Commissioner Schiffrin would like an agenda item at next month's Board meeting regarding the funding for Natural Bridges using former LIPH reserves.

Executive Director Panetta informed the Board that the order that Governor Newsom signed 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 was to expire September 30, 2021. However, AB 361 was just passed by the legislation and will extend many of the Brown Act exceptions during the state of emergency while local health orders are in effect.

The Board of Commissioners directed staff that the future meeting format appear on the next agenda for further discussion and vote regarding said format. Staff will bring an item to the next month meeting regarding meeting format to comply with AB 361. Executive Director Panetta confirmed that the October meeting can be virtual for this discussion. Commissioner Schmale would like information brought to the October meeting regarding how other local, state and Housing Authority agencies will be holding their meetings going forward.

Executive Director Panetta gave the Board a Legislative Update.

**AGENDA ITEM NO. 9**                      Reports from Board Members

Commissioner Schmale commented that storage should be a consideration for Natural Bridges. Secretary Panetta shared with the Board that when designing Natural Bridges this was taken into consideration. The units were designed to feel "livable", with high ceilings, big windows, and with storage in the units and also external storage for the tenants.

Commissioner Garcia informed the Board of Commissioners that at her last City Council meeting, the council adopted a plan for the American Rescue Funds. A new initiative is being funded called the Landlord Engagement Initiative. In this initiative, when there is a tenant or landlord complaint, they come to the table with other stakeholders for conflict resolution. The city is hoping to start this program by

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, MINUTES OF THE REGULAR MEETING SEPTEMBER 22, 2021, AT THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, 2160 41<sup>ST</sup> AVENUE, CAPITOLA, CA 95010

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October 1, 2021. Commissioner Garcia will continue to update the Board. Secretary Panetta will reach out to the city for more information on this program.

Commissioner Berg informed the Board that for future funding for projects, we might want to apply for City Home funds because we may qualify as a CHDO.

**AGENDA ITEM NO. 10A**                      Closed Session

Closed Session was moved to Agenda Item No. 6A.

**AGENDA ITEM NO. 11**                      Report on Closed Session

No reportable action items.

**AGENDA ITEM NO. 12**                      Adjournment

The Board of Commissioners meeting was adjourned at 1:42 p.m.

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

\_\_\_\_\_  
Chairperson of the Authority

ATTEST: \_\_\_\_\_

Secretary

**AGENDA ITEM SUMMARY**

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**MEETING DATE:** September 22, 2021

**ITEM NUMBER:** 3B

**FROM:** Executive Director

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**SUBJECT:** Year-End Interfund Loans

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**RECOMMENDATION:** Authorize Year-End Interfund Loans from 41<sup>st</sup> Ave Office Fund

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**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 41<sup>st</sup> 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 41<sup>st</sup> 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 <sup>st</sup> 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	<u>\$ 24,138.64</u>
<b>Fund 771</b>	<b>Loan from 41<sup>st</sup> Avenue Office Fund</b>	<b>\$ 695,685.11</b>

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 41<sup>st</sup> Ave Office Fund.



## AGENDA ITEM SUMMARY

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**MEETING DATE:** October 27, 2021

**ITEM NUMBER:** 3C

**FROM:** Executive Director

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**SUBJECT:** Buena Vista Migrant Center Update

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**RECOMMENDATION:** Receive Staff Report

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### **BACKGROUND SUMMARY:**

In the September meeting, Commissioners directed staff to inform OMS that we no longer wish to administer the Buena Vista contract, and to report back to the Board regarding OMS response.

HACSC staff met with OMS management to relay the challenges of resource capacity during periods of peak activity and the disproportionate burden on staff's time for providing property management services at Buena Vista. OMS management was understanding of the HACSC's request to discontinue property management services at Buena Vista and were appreciative of the assistance in identifying potential successors. OMS stated that the successor agency is required to be either a housing authority or a non-profit entity, which limits the pool of candidates. OMS management, with the assistance of HACSC staff, are reaching out to potential agencies which have experience in operating a migrant housing center. Staff assured OMS of continued management of the property up until such an entity can be found and committed to work with the new property manager and residents to ensure a smooth transition. Staff will continue to keep the Board updated on the search for a successor agency.

### **RECOMMENDATION:**

Receive Staff Report

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**MEETING DATE:** October 27, 2021

**ITEM NUMBER:** 3D

**FROM:** Executive Director

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**SUBJECT:** Housing Authority Annual Goals – Q1 Progress Report

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**RECOMMENDATION:** Receive Report

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**BACKGROUND SUMMARY:**

Each year, the Housing Authority Board of Commissioners establishes annual performance goals. The following goals were established for the period of 7/1/2021 – 6/30/2022. The following report describes progress on these goals over the first quarter of the fiscal year.

Please note the Housing Authority has multiple open positions due to a record number of retirements and departures in recent months. Filling these positions has been challenging in this job market, and the HA is struggling with limited capacity.

**1. Expand Housing Choice Voucher Program:**

- a. Achieve/Maintain voucher utilization rates of at least 95% - With the recent award of 263 Emergency Housing Vouchers (EHVs), the overall voucher utilization rate has decreased to 91.8%. However, if the recently awarded vouchers are excluded, the utilization rate for the remainder of the voucher program exceeds the goal, with a utilization of 96.1%.
- b. Issue at least 85% of the Emergency Homeless Vouchers (224 vouchers) – To date 90 EHV's have been issued, and 22 of those have successfully leased up. We are on track to meet our EHV voucher issuance goal.
- c. Increase total number of households assisted by at least 150 households. At the beginning of the fiscal year, there were 4,967 households in the voucher program. To increase the program by 150 over the course of the year, we would need to average an increase of 12.5 per month, or 37.5 over one quarter. Currently, the program size is 4,979, an increase of 12 households. It is important to note that program size is a lagging indicator, as it takes months after voucher issuance to find housing and lease up. Based on the rate at which we are currently issuing vouchers, we believe we may achieve the goal by the end of the fiscal year.
- d. Increase number of landlords participating in the HCV program by 5%. At the beginning of the fiscal year, there were 2,191 landlords participating in the voucher program. To increase this by 5%, we need to add 110 landlords to the program.

Currently, there are 2,212, an increase of 21 landlords. We are making good progress but tracking just short of our goal. We believe that as we increase lease up, the number of participating landlords will increase to meet the goal by the end of the year.

## **2. Expand Project Based Voucher Program:**

- a. Project Based Vouchers approved for at least 10% more units over previous year. During the previous fiscal year (7/1/2020 – 6/30/2021), the Housing Authority issued conditional letters of approval for 163 Project Based units. Therefore, to meet the goal of approving at least 10% more Project Based units, we would need to approve at least 179 units this fiscal year. Over the past quarter, we have approved 54 Project Based Voucher Units at 831 Water Street in the City of Santa Cruz. Additionally, we have two applications that have been submitted but that are pending further information from the developer. We are on track to commit PBVs for 10% more units than last year.
- b. The priority shall be on supporting new affordable housing developments, with at least 75% of new PBVs approved being committed for new developments. So far, 100% of the PBVs committed (and those represented in pending applications submitted) have been for the development of new affordable housing.

## **3. Waiting List Alerts:**

- a. Launch Waiting List Alert system so interested community members can be informed of waiting lists opening through Housing Authority programs as well as waiting lists administered other community partners offering affordable housing. Housing Authority staff has identified a software product that will meet our needs, and we are working to develop the alert system. Due to staffing capacity limitations, we are not on track to launch the alert system by 12/31. However, we continue to make progress on this effort.

## **4. Development of Natural Bridges:**

- a. Approval of development application by the City of Santa Cruz by 12/31/21. The development application was resubmitted to the City in September 2021, responding to their comments and providing the additional information they requested. We should be hearing back from the City regarding the completeness of the application by the end of October. Once deemed complete, it can be scheduled for a Planning Commission Hearing and City Council Hearing. Even though the project may have a CEQA exemption, there will need to be a public hearing. As a result, the Design Permit application would likely be approved by February 2022 at the earliest.
- b. Break ground on construction early spring 2022, with anticipated occupancy by 12/31/22. Based on design permit approval in spring 2022, the original construction timeline will need to be moved back. The construction drawings and engineering reports will take 3-4 months and it will take an additional 2-3 months upon submission to get a permit, for a total of 5-7 months. The project could be put out to bid while the construction documents are under review in order to have a contractor lined up by the time of final approval by the City. Using this approach, we hope to be able to break ground by Fall of 2022 with anticipated occupancy in Spring of 2023.

**5. Needs Assessment:**

- a. Complete Needs Assessment by 12/31/21. Survey of resident needs, conducted by Applied Survey Research is underway, with over 800 survey responses received so far. Results are expected in time for December Board meeting.
  
- b. Develop plan regarding New Horizons programs and services based on data in assessment by Spring 2022 for consideration in 2022/2023 FY Budget. Plan will be informed by survey data and presented to New Horizons Board by Spring 2022 in time for consideration in 2022/2023 budget.

**RECOMMENDATION:** Receive report

## AGENDA ITEM SUMMARY

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**MEETING DATE:** October 27, 2021

**ITEM NUMBER:** 6A

**FROM:** Executive Director

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**SUBJECT:** Project Based Voucher (PBV) Program – Integration of PBV Process with SB 35 or Ministerial Review; Case Study: 1482 Freedom Blvd. Watsonville

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**RECOMMENDATION:** Receive Presentation Regarding 1482 Freedom Blvd Watsonville

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### **BACKGROUND SUMMARY:**

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 Board of Commissioners reviews and approves the PBV Scoring Criteria, to assure that the criteria reflect the Agency goals.

Housing Authority Board members have expressed concerns with the use of PBVs at projects receiving ministerial approvals, such as SB 35 projects. The Board's concerns include the exemption from CEQA environmental review. While SB 35 projects are exempt from CEQA environmental review requirements, any project that receives PBVs is subject to HUDs environmental review requirements. The PBV environmental review requirements are located at 24CFR983.58. HUD requires that a unit of general local government (typically the City or County in which the project is located, acts as the "Responsible Entity" (RE). The RE performs the federal environmental review under the National Environmental Policy Act (NEPA). Board Commissioners also expressed concerns about lack of public review associated with ministerial projects that do not require public hearings.

To date, the Housing Authority has committed PBVs to two SB 35 ministerial projects in Santa Cruz County, including 1482 Freedom Blvd in Watsonville and 831 Water Street in Santa Cruz. While the project at 831 Water Street has not yet been approved by Santa Cruz City Council, the project on Freedom Blvd in Watsonville has been approved by Watsonville City Council, completed their environmental review under NEPA, and the NEPA review has been approved by HUD. The two SB35 projects that have conditionally been awarded PBVs have both voluntarily engaged in a process to solicit community input.

The Housing Authority Board has expressed interest in learning more about the process that developer Eden Housing undertook resulting in approval from the City and completion and approval of the NEPA review. The Board may consider "best practices" for possible additions or revisions to the existing PBV scoring criteria. Specifically, the Board is interested to learn more about integration of the PBV process and NEPA review with SB 35 or ministerial approval.

Jane Royer Barr, Associate Director of Real Estate Development for Eden Housing has been invited to present information on the project at 1482 Freedom, providing additional information on their community engagement process, and the integration of their SB 35 ministerial approval with their NEPA review.

**RECOMMENDATION:** Receive Presentation Regarding 1482 Freedom Blvd Watsonville

## AGENDA ITEM SUMMARY

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**MEETING DATE:** October 27, 2021

**ITEM NUMBER:** 6B

**FROM:** Executive Director

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**SUBJECT:** Board of Commissioners Meeting Format

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**RECOMMENDATION:** Motion to Adopt Resolution No. 2021-08 Authorizing the Housing Authority Board of Commissioners to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361; Delegate to Executive Director the Authority to Re-Verify State of Emergency and Social Distancing Recommendations if more than Thirty (30) Days Between Board Meetings

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### **BACKGROUND SUMMARY:**

On September 16, 2021, California Governor Gavin Newsom signed AB 361 into law, effective immediately. The Bill amends the Ralph M. Brown Act to include new authorization for remote meetings, including remote public comment, for all local agencies. The new authorization, which largely extends the provisions of the Governor's Executive Order N-29-20 (signed March 17, 2020) and Executive Order N-35-20 (signed March 21, 2020), is effective until January 1, 2024.

Given the continuing COVID-19 state of emergency, AB 361 was introduced to establish clear rules for teleconference meetings during such emergencies, effective immediately and until January 1, 2024. Effective September 16, 2021, new Government Code section 54953(e)(1) allows local agencies to continue to meet via teleconference without complying with the Brown Act's traditional agenda posting, physical access and quorum requirements for teleconferencing, but only during a state of emergency proclaimed by the Governor (in accordance with Government Code section 8625) in which (1) state or local health officials have imposed or recommended measures to promote social distancing, or (2) the legislative body has determined (or is meeting to determine) by majority vote that meeting in person would present imminent risk to the health or safety of the attendees.

This new authority clearly includes, but is not limited to, emergencies arising from pandemics. Government Code section 54953(e)(4) also now requires local agencies to verify every 30 days that the exemption from traditional teleconference requirements is still necessary. Specifically, the legislative body must make findings no later than 30 days after the first teleconference and every 30 days thereafter that the legislative body has reconsidered the state of emergency circumstances; and either i) the state of emergency continues to directly impact

the ability of the members to meet safely in person, or ii) state or local officials continue to impose or recommend measures to promote social distancing.

Because monthly meetings can be more than 30 days apart, staff recommends that the Board delegates to the Executive Director the authority to reverify that the required conditions continue to exist. If at any time either the Governor lifts the state of emergency or local health officials eliminate social distancing recommendations, the Executive Director will notify the Board Chair and Vice Chair, and will convene a special meeting with the full Board of Commissioners within the 30 day window to reconsider the meeting format.

The provisions of AB 361 will be automatically repealed on January 1, 2024. At that time, unless further changes are made by future legislation, the Brown Act's traditional (pre-pandemic) teleconferencing rules will apply.

Currently, the Governor's March 4, 2020 proclamation of State of Emergency is still in effect. The California Department of Public Health recommends that all individuals wear masks in indoor public settings. Additionally, the Santa Cruz County Health Officer strongly recommends that face coverings continue to be worn in indoor settings for all individuals in the County. All four cities (Capitola, Santa Cruz, Scotts Valley, and Watsonville) as well as the County of Santa Cruz, are continuing to conduct City Council and Board of Supervisors meetings remotely, as are most PHAs in the Bay Area and Central Coast.

**RECOMMENDATION:** Motion to Adopt Resolution No. 2021-08 Authorizing the Housing Authority Board of Commissioners to Continue the Use of Remote Board Meetings Pursuant to Assembly Bill 361; Delegate to Executive Director the Authority to Re-Verify State of Emergency and Social Distancing Recommendations if more than Thirty (30) Days Between Board Meetings



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

**RESOLUTION NO. 2021-08**

On the motion of Commissioner

Duly seconded by Commissioner

The Following Resolution is Adopted:

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ FINDING THAT THE GOVERNOR OF CALIFORNIA ISSUED A PROCLAMATION OF A STATE OF EMERGENCY ON MARCH 4, 2020 RELATING TO THE COVID-19 VIRUS AND LOCAL OFFICIALS CONTINUE TO RECOMMEND SOCIAL DISTANCING MEASURES TO MITIGATE THE SPREAD OF THE COVID-19 VIRUS AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF THE HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ, PURSUANT TO BROWN ACT PROVISIONS.**

WHEREAS, the Housing Authority of the County of Santa Cruz (“HACSC”) is committed to preserving and nurturing public access and participation in meetings of the Board of Commissioners; and

WHEREAS, all meetings of the HACSC’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code §54950 *et seq.*) (“Brown Act”), so that any member of the public may attend, participate, and watch the HACSC’s legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing; and

WHEREAS, such conditions now exist, specifically, on March 4, 2020, the Governor of California declared a State of Emergency due to the outbreak and spread of the COVID-19 virus in order to be able to prepare, respond, and implement measures to mitigate the spread of the COVID-19 virus, and such proclamation of a State of Emergency remains in effect; and

WHEREAS, local officials within the County of Santa Cruz continue to recommend social distancing measures to mitigate the spread of the COVID-19 virus; and

WHEREAS, as a consequence of the proclaimed state of emergency pursuant to the COVID-19 virus which remains in effect, and local officials continuing to recommend social distancing measures to mitigate the spread of the COVID-19 virus, the Board of Commissioners does hereby find that the legislative bodies of the HACSC shall conduct their meetings without compliance with paragraph (3) of

subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, the meetings of the HACSC's legislative bodies continue to be open to the public, in accordance with the law.

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

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Governor's Proclamation of a State of Emergency. The Board hereby finds that the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020, remains in effect.

Section 3. Local Officials Recommendation of Social Distancing Measures. The Board hereby finds that local officials within the County of Santa Cruz continue to recommend social distancing measures to mitigate the spread of the COVID-19 virus.

Section 4. Remote Teleconference Meetings. The Executive Director of the HACSC and legislative bodies of the HACSC are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be re-verified at least every 30 days by the Board of Commissioners or designee. In the event that more than 30 days pass between meetings of the Board of Commissioners, the Board delegates the authority to reverify the State of Emergency and Social Distancing recommendations. If the Governor lifts the State of Emergency or local public health officials eliminate social distancing recommendations during a period where the Board will go more than 30 days between meetings, the Executive Director shall call a special meeting of the Board of Commissioners to reconsider meeting format.

**PASSED AND ADOPTED** by the Board of Commissioners of the Housing Authority of the County of Santa Cruz, this 27th day of October, 2021, by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

\_\_\_\_\_  
Chairperson of the Authority

ATTEST:  
  
\_\_\_\_\_  
Secretary of the Authority

## AGENDA ITEM SUMMARY

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**MEETING DATE:** October 27, 2021

**ITEM NUMBER:** 6C

**FROM:** Executive Director

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**SUBJECT:** Development Funding for 415 Natural Bridges

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**RECOMMENDATION:** Discussion

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### **BACKGROUND SUMMARY:**

As part of the Low Income Public Housing (LIPH) Streamlined Voluntary Conversion (SVC), any unspent reserve funds that remain after closeout of the public housing program are recaptured by HUD. HACSC's counsel worked with HUD to develop a plan to preserve the roughly \$5.75 million in remaining public housing reserve funds. This plan involves HACSC transferring the balance of the remaining public housing reserve funds to a neighboring PHA which operates a public housing program and is a Moving To Work (MTW) agency. The potential universe of possible partners was extremely limited, as only an agency with a public housing program is eligible to receive the funds, and only an MTW agency would have the flexibility to utilize the funds for a purpose other than public housing. The receiving PHA could then use the reserves to fund the development of affordable housing within Santa Cruz County by way of an interagency agreement.

HACSC approached Santa Clara County Housing Authority (SCCHA) to serve as the receiving PHA of the public housing reserve funds in the interagency agreement. Although SCCHA is the process of closing out their public housing program, they agreed to enter into the interagency agreement prior to their program closeout with the expectation that HACSC would be able to expend the funds by December 31, 2022.

At the time, HACSC was in the planning stages of the development at 415 Natural Bridges with the expectation that it would be necessary to finance the majority of the construction costs. The interagency agreement, with its timeline of expending the former LIPH reserve funds by 12/31/2022, presents an alternative funding source for Natural Bridges and also allows us to abide by SCCHA's need for HACSC to expeditiously expending the reserve funds. The total development costs of Natural Bridges are anticipated to be roughly equal to the public housing reserve balance.

Housing Authority Board members have suggested that with the use of additional funding for Natural Bridges, the former LIPH reserves may be able to support more than one affordable housing development. Given the very unique manner in which we were able to preserve the funds, and the required timeline for expending the funds pursuant to our agreement with Santa Clara, this may not be feasible. However, the completed project at Natural Bridges could be financed to provide funding for a subsequent development, and New Horizons continues to accumulate significant revenue that will also be used for this purpose.

HACSC staff are in the beginning stages of exploring other possible sources of funding, potentially for Natural Bridges, or more likely for subsequent New Horizons developments. We have reached out to City staff regarding the potential availability of City funds, including the State's \$14M budget allocation for housing homeless residents. We also anticipate working with affordable housing funding and finance consultants to assist in exploring options.

The availability of funds as a result of the interagency agreement presents an opportunity to preserve the entire portion of the public housing reserves by SCCHA's narrow timeline by funding the development at Natural Bridges.

**RECOMMENDATION:**

Discussion

## AGENDA ITEM SUMMARY

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**MEETING DATE:** October 27, 2021

**ITEM NUMBER:** 8

**FROM:** Executive Director

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**SUBJECT:** Executive Director's Report – October 27, 2021

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**RECOMMENDATION:** Receive Report

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### **BACKGROUND SUMMARY:**

Please call or e-mail me with questions you might have on any of the Agenda Items for the October 27, 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](mailto:jennyp@hacosantacruz.org).

**SB 329 and Voucher Preference** – In January 2020, a new state law (SB 329) added Section 8 Housing Choice Voucher subsidy to the definition of “source of income” for the purpose of housing discrimination. With the passage of this law, landlords and property owners were prohibited from denying tenancy on the basis of participation in the HCV program. Specifically, SB 329 makes it unlawful for landlords to indicate ANY preference, limitation, or discrimination based on source of income. The law was intended to increase housing choices for voucher holders, but it seems to have the unintended consequence of also prohibiting landlords from having any preference that benefits voucher holders. We are aware of at least one landlord in Santa Cruz County that previously had a preference for voucher holders, and we have heard concerns about the prohibition on preferences for voucher holders from at least one nonprofit housing provider as well as other public housing authorities. As a member of the California Association of Housing Authorities (CAHA) legislative committee, I will be meeting with the legislative director of CA YIMBY, with one of the original policy advocates that led the SB 329 effort, and with a fair housing attorney to discuss the possibility of pursuing a legislative fix.

**Legislative Update** – After several weeks of heated negotiations, Congress approved a temporary lift to the nations debt limit, which is intended to keep the nation solvent through December 3<sup>rd</sup>. Reaching the debt limit would trigger a government shutdown, but unlike a shutdown due to a lapse in appropriations where HUD has three months of available funding to cover program costs, a debt ceiling shutdown would cease all HUD payments (along with Social Security payments, Medicare and Medicaid, etc.) Republicans have vowed not to vote for another debt ceiling increase, forcing Democrats to approve another lift through the budget reconciliation process. Congress will have to act on FY 2022 spending to avoid a shutdown due to lapse in appropriations.

Additionally, Congress is still working to pass the infrastructure package referred to as the Build Back Better Act. The Act includes significant investments in housing, including increases in voucher funding, homelessness, project based voucher cap exceptions, mobility related services, and more. As the Build Back Better Act currently stands, it will most likely not make it to the White House in its current form. Some Democrats have called for the act to be decreased from its current size, as it's seen as a document that will be difficult, if not nearly impossible, to agree upon by the parties all at once- especially during a global crisis. Some Democrats have proposed to cut at least a trillion dollars from the Act for it to appease other members of the party. Numerous debates on the ways to downsize the act are under scrutiny. Cutting back on certain aspects of the Act to keep the entire vote of the Democratic party will be necessary. Therefore, the outcome of the Act, and the inclusion of housing in the Act, are still very uncertain.